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264

# Ontario Economic Accounts

INCOME AND EXPENDITURE BASED

[1st Quarter - 1995]

July 1995

## ONTARIO ECONOMY: CONTRACTS IN 1995:1

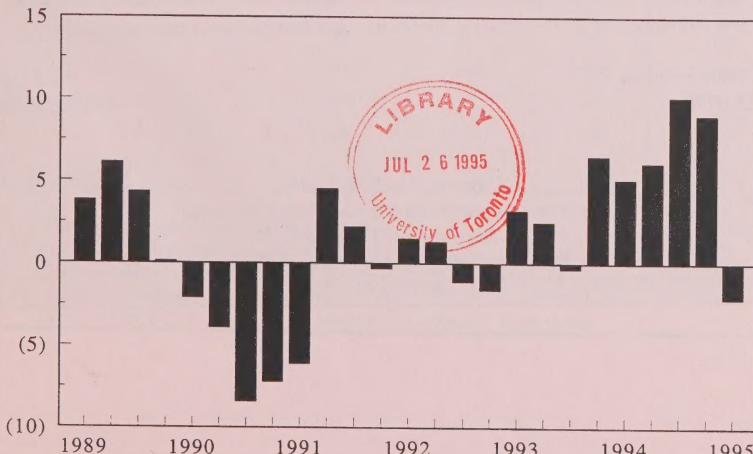
In the first quarter of 1995 (January-March), Ontario real GDP fell at a 2.1 per cent annualized rate, following robust growth throughout 1994. The weak economic performance resulted from a combination of several factors, including the impact of the year long spiral in interest rates, increased consumer uncertainty and the slowdown in the U.S. economy. Activity was also affected by the March rail strike.

In the domestic economy, lower consumer and government spending, combined with a sharp drop in residential and non-residential construction activity was partially offset by a massive buildup in inventories and higher business spending on machinery and equipment. In international trade, exports slowed dramatically, reflecting a slowdown in U.S. demand, particularly for autos. With imports growing faster than exports, the overall trade balance deteriorated in the first quarter.

The Ontario Economic Accounts have been revised for the 1981-1994 period, to reflect changes in Statistics Canada's Provincial Economic Accounts and Canadian National Accounts. Ontario real GDP growth for 1994 was revised from 5.3 per cent to 5.5 per cent.

### Ontario Real GDP

% change, seasonally adjusted annual rate



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The GDP price deflator rose at a 3.2 per cent annual rate in 1995:1, following a 2.9 per cent decline in the previous quarter. Higher prices were recorded in most sectors of the economy, particularly for exports. Housing prices declined in the quarter, reflecting continuing weak demand. The highlights of 1995:1 are presented in Table 1.

ONTARIO ECONOMIC ACCOUNTS SUMMARY, 1994:2 - 1995:1  
(1986\$, Seasonally Adjusted Annual Rates)

Table 1

	1994:2	1994:3	1994:4	1994	1995:1
<b>Highlights (\$1986 Billions)<sup>1</sup></b>					
Gross Domestic Product	235.1 (6.1)	240.8 (10.1)	246.1 (9.0)	238.4 (5.5)	244.8 (-2.1)
Gross Domestic Product (Current \$)	299.5 (6.6)	305.6 (8.4)	310.0 (5.8)	302.5 (5.2)	310.8 (1.0)
GDP Deflator (1986=100)	127.4 (0.4)	126.9 (-1.5)	126.0 (-2.9)	126.9 (-0.4)	127.0 (3.2)
Final Domestic Demand <sup>1</sup>	228.6 (4.8)	230.2 (2.8)	233.1 (5.3)	229.5 (3.3)	232.9 (-0.4)
Final Demand <sup>2</sup>	234.5 (8.8)	239.1 (8.0)	245.1 (10.3)	237.1 (4.1)	239.1 (-9.4)
<b>Composition of Growth<sup>3</sup></b> (\$ Millions)					
Total GDP Growth	3,452	5,719	5,235	12,521	-1,304
● Consumer Spending	942	372	1,935	3,856	-105
● Business Machinery and Equipment	948	948	1,007	2,987	570
● Non-Residential Construction	199	321	234	-126	-113
● Residential Construction	400	-183	-339	558	-504
● Government Spending	197	102	145	33	-95
● Net Exports	2,194	3,021	2,967	2,054	-5,698
● Inventories	-1,151	1,395	-856	2,700	4,385

Source: Ontario Ministry of Finance and Statistics Canada

Note: Per cent change from previous period, at annual rates, is given in brackets.

1. Combined sum of consumer spending, government spending and business investment excluding inventory investment.

2. Final domestic demand plus net exports.

3. Does not sum to GDP growth, as the "statistical discrepancy" is not shown.

## First Quarter Details

**R**eal consumer spending stalled, declining 0.3 per cent at annual rates in 1995:1, following a 5.8 per cent surge recorded in the previous quarter. The weak spending reflected lower consumer confidence in Ontario, which recorded its first decline in two years and the steepest drop on record. This loss of confidence was prompted by a 200 basis point rise in short-term interest rates and weak Ontario labour markets. Expenditures on consumer goods slowed dramatically to a 1.0 per cent rise at annual rates, down from 9.4 per cent in 1994:4, as consumers cut back on purchases of interest-sensitive items, particularly autos. Spending on services fell 1.5 per cent, reflected by a decline of 28,000 service-sector jobs. Consumer spending on services was also affected by the Windsor casino strike in March.

- **Personal income** growth slowed to a 2.0 per cent gain at annual rates in 1995:1, down significantly from a 6.4 per cent gain in the previous quarter. Wages, salaries and supplementary labour income, the largest components of personal income, were flat. This resulted from a loss of 41,000 jobs in the first three months of the year, combined with slow growth in average weekly earnings. Higher interest rates boosted interest and investment income.
- **Personal disposable income** rose 4.1 per cent at annual rates in 1995:1, after rising 6.3 per cent in the previous quarter. With disposable income rising faster than consumer spending, the Ontario **savings rate** increased from 9.2 to 9.5 per cent.

**THE CONSUMER SECTOR, 1994:2 - 1995:1**  
(1986 \$ Millions, Seasonally Adjusted Annual Rates)

Table

	1994:2	1994:3	1994:4	1994	1995:1
Consumer Spending	136,821 (2.8)	137,193 (1.1)	139,128 (5.8)	137,255 (2.9)	139,023 (-0.3)
- Goods	66,973 (5.1)	67,084 (0.7)	68,612 (9.4)	67,204 (4.2)	68,776 (1.0)
- Services	69,848 (0.7)	70,109 (1.5)	70,516 (2.3)	70,051 (1.6)	70,248 (-1.5)
Personal Income (Current\$)	256,099 (5.8)	259,835 (6.0)	263,876 (6.4)	258,087 (2.2)	265,184 (2.0)
Personal Disposable Income (Current\$)	196,479 (4.3)	198,692 (4.6)	201,746 (6.3)	197,833 (1.9)	203,788 (4.1)
Personal Savings Rate (%)	8.9	9.2	9.2	8.9	9.5

Source: Ontario Ministry of Finance and Statistics Canada

Note: Per cent change from previous quarter, at annual rates, is given in brackets.

- Real **residential construction** declined for the third straight quarter, down 16.3 per cent at annualized rates in 1995:1, as higher interest rates continue to hamper housing starts and resale activity. Housing starts in Ontario fell at an annual rate of 17.0 per cent in 1995:1, after dropping 41.0 per cent in the previous quarter. Home resales plunged at an annual rate of 56.3 per cent in the first quarter.
- Real business **investment** in plant and equipment rose at an annual rate of 5.8 per cent in 1995:1, following double-digit increases throughout most of 1994. Outlays on machinery and equipment rose 9.0 per cent, following a gain of 17.1 per cent in the previous quarter. Non-residential construction declined 7.4 per cent in the first quarter.
- **Inventory** accumulation picked up sharply, to \$6.0 billion in 1995:1, up from the \$1.6 billion rise in 1994:4. The surge in inventories suggests that businesses did not fully anticipate the slowdown in domestic and international demand. Manufacturers significantly boosted stock levels in the first quarter, especially stocks of electrical products, primary metals and chemicals. Wholesalers and retailers also recorded large increases in inventories, particularly auto dealers.
- **Corporation profits** before taxes fell at a 10.5 per cent annual rate in 1995:1, following eight straight quarterly advances. Lower profits were concentrated in export-related industries, including autos, iron and steel, wood and metal products. Banking profits also fell in the quarter. In contrast, Canadian corporate profits rose 12.4 per cent at annual rates in 1995:1, with the gains focused in the oil industry, which is significantly more important at the national level than in Ontario.

**THE BUSINESS SECTOR, 1994:2 - 1995:1**  
(1986 \$ Millions, Seasonally Adjusted Annual Rates)

Table 3

	1994:2	1994:3	1994:4	1994	1995:1
Residential Construction	12,087 (14.4)	11,903 (-5.9)	11,564 (-10.9)	11,810 (5.0)	11,061 (-16.3)
Business Plant and Equipment	29,550 (17.2)	30,819 (18.3)	32,060 (17.1)	30,208 (10.5)	32,517 (5.8)
- Non-Residential Construction	5,421 (16.1)	5,742 (25.9)	5,976 (17.3)	5,590 (-2.2)	5,862 (-7.4)
- Machinery & Equipment	24,129 (17.4)	25,077 (16.7)	26,085 (17.1)	24,618 (13.8)	26,655 (9.0)
Business and Farm Inventory Accumulation	1,101	2,497	1,641	1,872	6,026
Pre-Tax Corporate Profits (Current \$)	25,255 (25.1)	25,485 (3.7)	26,902 (24.2)	25,381 (36.9)	26,165 (-10.5)

Source: Ontario Ministry of Finance and Statistics Canada

Note: Per cent change from previous quarter, at annual rates, is given in brackets.

**R**eal Ontario exports slowed sharply in the first quarter, to a 4.1 per cent increase at annual rates, after averaging gains over 25 per cent in the past three quarters. The marked slowdown in export growth reflects slower demand in the U.S., particularly for autos, combined with the impact of the national rail strike. Real imports rose by 18.8 per cent, half the pace of the previous quarter. With imports rising faster than exports, the real trade balance was cut in half from an eight-year high of \$11.9 billion in 1994:4 to \$6.2 billion in 1995:1.

- Exports of iron and steel, autos and aircraft rose. These gains were partially offset by declines in exports of food, metals, auto parts and industrial machinery.
  - Autos are Ontario's most important export, accounting for close to one-half of international merchandise exports, and over 10 per cent of interprovincial trade. About 90 per cent of total Canadian auto production occurs in Ontario, with most of the output destined for the U.S. market.
- Imports for chemicals, metals, autos, trucks and machinery and equipment increased strongly in 1995:1.

**THE EXTERNAL SECTOR, 1994:2 - 1995:1**  
(1986 \$ Millions, Seasonally Adjusted Annual Rates)

Table

	1994:2	1994:3	1994:4	1994	1995:1
Total Exports	162,669 (23.4)	168,150 (14.2)	183,925 (43.1)	167,271 (12.7)	185,801 (4.1)
Total Imports	156,737 (17.3)	159,197 (6.4)	172,005 (36.3)	159,635 (11.8)	179,579 (18.8)
Balance of Trade	5,932	8,953	11,920	7,636	6,222

**Source:** Ontario Ministry of Finance and Statistics Canada

**Note:** Per cent change from previous quarter, at annual rates, is given in brackets.

Total real government spending in Ontario by all levels of government (federal, provincial and local) declined 0.8 per cent, following a 1.2 per cent increase in 1994:4.

- Government **current spending** on goods and services, in constant dollars, fell at a 0.5 per cent annualized rate in 1995:1, after falling 4.2 per cent in the previous quarter.
- Real government **capital investment** declined at a 2.6 per cent annual rate in 1995:1, after increasing by 45.5 per cent in 1994:4.

**THE GOVERNMENT SECTOR, 1994:2 - 1995:1**  
(1986 \$ Millions, Seasonally Adjusted Annual Rates)

Table 5

	1994:2	1994:3	1994:4	1994	1995:1
Total Government Expenditure*	50,143 (1.6)	50,245 (0.8)	50,390 (1.2)	50,181 (0.1)	50,295 (-0.8)
- Current Expenditure	44,418 (-1.6)	44,010 (-3.6)	43,543 (-4.2)	44,141 (-1.2)	43,493 (-0.5)
- Capital Investment	5,725 (30.9)	6,235 (40.7)	6,848 (45.5)	6,040 (10.4)	6,802 (-2.6)

Source: Ontario Ministry of Finance and Statistics Canada

Note: Per cent change from previous quarter, at annual rates, is given in brackets.

\* Includes federal, provincial and local levels

### **Rewvisions to the Ontario Economic Accounts**

The *Ontario Economic Accounts* have been revised for the 1981-1994 period to incorporate the latest Statistics Canada data from the Provincial Economic Accounts and the Canadian National Income and Expenditure Accounts. The largest revisions occurred in the trade sector, due to improved estimates of interprovincial trade by Statistics Canada.

**REVISIONS TO ONTARIO GDP, 1991-1994**  
Per cent Growth)

	1991	1992	1993	1994
Nominal GDP				
Revised	0.1	1.5	2.0	5.2
Previous	-0.2	1.4	2.6	5.7
Real GDP				
Revised	-3.2	0.9	1.3	5.5
Previous	-2.9	0.5	2.1	5.3
GDP Price Deflator				
Revised	3.5	0.6	0.7	-0.4
Previous	2.7	0.9	0.4	0.4

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The Ontario Economic Accounts is also available in French.

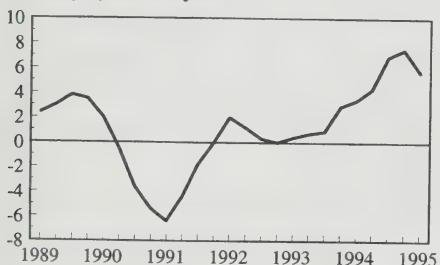
**Note:** Totals may not add exactly due to rounding.

# Ontario Economic Accounts Summary (1989:1 - 1995:1)

## Gross Domestic Product

(1986 \$)

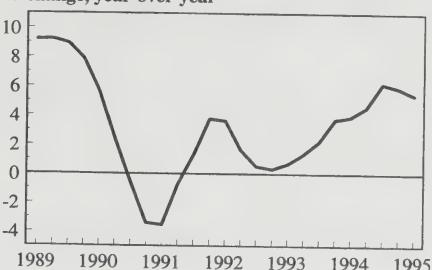
% change, year-over-year



## Gross Domestic Product

(Current \$)

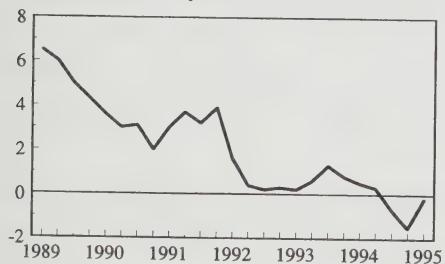
% change, year-over-year



## GDP Deflator

(1986 = 100)

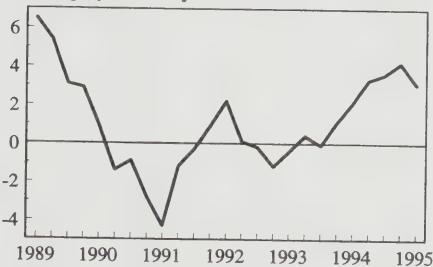
% change, year-over-year



## Final Domestic Demand

(1986 \$)

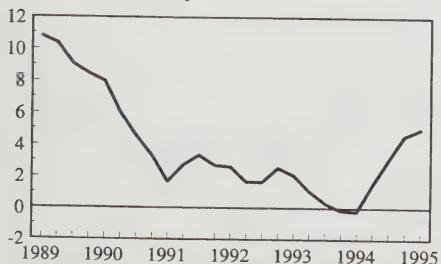
% change, year-over-year



## Personal Income

(Current \$)

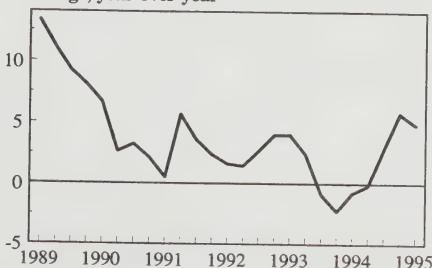
% change, year-over-year



## Personal Disposable Income

(Current \$)

% change, year-over-year



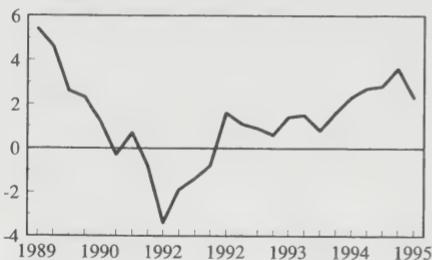
# Ontario Economic Accounts Summary

## (1989:1 - 1995:1)

### Consumer Spending

(1986 \$)

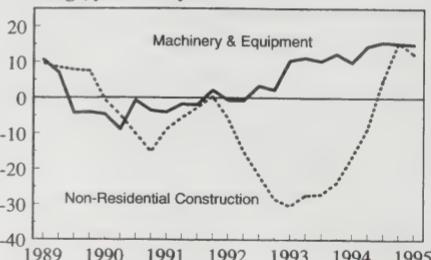
% change, year-over-year



### Business Plant & Equipment

(1986 \$)

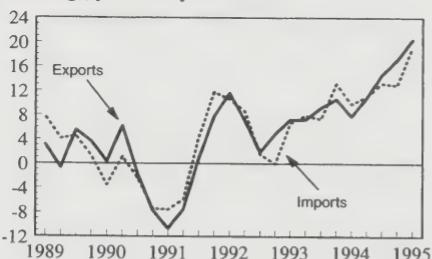
% change, year-over-year



### Trade

(1986 \$)

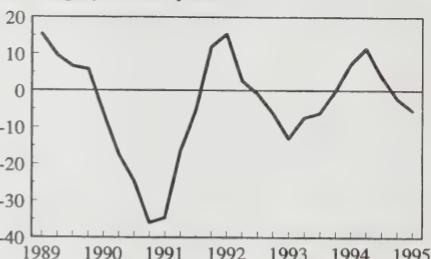
% change, year-over-year



### Residential Construction

(1986 \$)

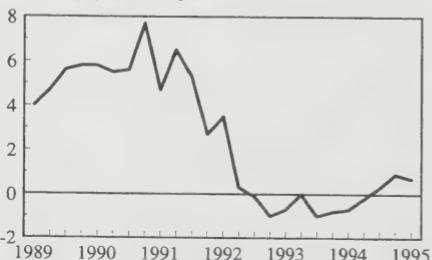
% change, year-over-year



### Government Spending

(1986 \$)

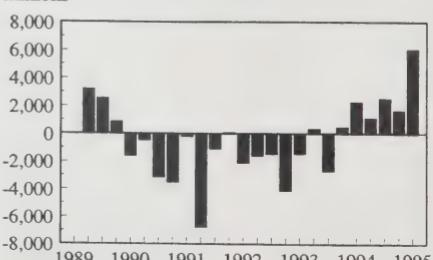
% change, year-over-year



### Change in Inventories

(1986 \$)

millions



**ONTARIO GROSS DOMESTIC PRODUCT, (INCOME BASED)**  
(\$ millions, seasonally adjusted at annual rates)

TABLE 1

	1991					1992				
	I	II	III	IV	YEAR	I	II	III	IV	YEAR
1. Wages, salaries, and supplementary labour income	159,252	160,492	161,475	161,800	160,755	162,495	163,565	163,758	164,089	163,477
	2.4	3.2	2.5	0.8	1.9	1.7	2.7	0.5	0.8	1.7
2. Military Pay and allowances	1,322	1,322	1,329	1,380	1,338	1,403	1,405	1,433	1,434	1,419
	15.2	0.1	2.0	16.4	4.7	6.8	0.5	8.3	0.1	6.0
3. Corporation profits before taxes	13,929	16,593	17,619	16,226	16,092	18,104	17,584	14,949	13,880	16,129
	-50.8	101.4	27.1	-28.1	-18.5	55.0	-11.0	-47.8	-25.7	0.2
4. Interest and miscellaneous investment income	15,190	15,767	14,988	15,702	15,412	16,330	15,872	15,787	16,105	16,023
	-30.8	16.1	-18.4	20.5	-8.1	17.0	-10.8	-2.1	8.3	4.0
5. Accrued net income of farm operators from farm production	357	333	118	109	229	138	178	239	328	221
	-86.2	-24.0	-98.4	-27.5	-34.9	156.4	179.9	227.9	254.7	-3.6
6. Net income of non-farm unincorporated business including rent	14,192	14,797	15,361	15,142	14,873	15,074	15,144	15,338	15,514	15,268
	3.1	18.2	16.1	-5.6	2.8	-1.8	1.9	5.2	4.7	2.7
7. Inventory valuation adjustment	760	1,136	951	648	874	-936	-906	-1,193	-1,337	-1,093
8. Net Domestic Income at factor cost	205,002	210,440	211,841	211,007	209,573	212,609	212,843	210,311	210,013	211,444
	-7.2	11.0	2.7	-1.6	-0.4	3.1	0.4	-4.7	-0.6	0.9
9. Indirect taxes less subsidies	35,069	35,794	35,864	37,270	35,999	36,305	36,757	37,678	38,229	37,242
	65.4	8.5	0.8	16.6	-1.6	-10.0	5.1	10.4	6.0	3.5
10. Capital consumption allowances and miscellaneous valuation adjustments	31,827	31,928	32,354	33,010	32,279	32,879	33,064	33,539	33,938	33,354
	6.1	1.3	5.5	8.4	5.8	-1.6	2.3	5.9	4.8	3.3
11. Gross Domestic Product at market prices	271,898	278,162	280,059	281,287	277,851	281,792	282,663	281,528	282,180	282,040
	1.1	9.5	2.8	1.8	0.1	0.7	1.2	-1.6	0.9	1.5

Note: Percentage change from previous quarter is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT, (INCOME BASED)**

(\$ millions, seasonally adjusted at annual rates)

**TABLE**

	1993					1994				
	I	II	III	IV	YEAR	I	II	III	IV	YEAR
1. Wages, salaries, and supplementary labour income	164,461 0.9	164,384 -0.2	164,482 0.2	165,213 1.8	164,635 0.7	165,392 0.4	167,844 5.6	169,871 5.4	172,678 6.8	168,892 2.0
2. Military Pay and allowances	1,427 -1.8	1,422 -1.4	1,411 -3.2	1,402 -2.5	1,415 -0.2	1,414 3.6	1,411 -0.9	1,346 -17.3	1,319 -7.6	1,371 -3.0
3. Corporation profits before taxes	16,657 107.4	17,143 12.2	18,227 27.8	22,125 117.1	18,538 14.9	23,882 35.7	25,255 25.1	25,485 3.7	26,902 24.2	25,381 36.9
4. Interest and miscellaneous investment income	14,986 -25.0	14,878 -2.8	14,542 -8.7	13,958 -15.1	14,591 -8.9	14,581 19.1	15,885 40.8	16,601 19.3	16,166 -10.1	15,801 8.3
5. Accrued net income of farm operators from farm production	174 -92.1	136 -63.0	115 -48.7	116 3.2	135 -38.7	250 2053.4	311 140.5	280 -34.3	212 -67.3	26 94.5
6. Net income of non-farm unincorporated business including rent	15,816 8.0	16,206 10.2	16,562 9.1	16,908 8.6	16,373 7.2	16,716 -4.5	16,800 2.0	16,877 1.9	16,838 -0.9	16,801 2.7
7. Inventory valuation adjustment	-2,050	-111	-1,146	-882	-1,046	-2,174	-2,941	-1,748	-2,132	-2,241
8. Net Domestic Income at factor cost	211,471 2.8	214,058 5.0	214,193 0.3	218,840 9.0	214,641 -1.5	220,061 2.2	224,365 8.1	228,712 8.0	231,983 5.8	226,281 5.4
9. Indirect taxes less subsidies	37,997 -2.4	38,078 0.9	38,924 9.2	39,315 4.1	38,578 3.6	39,793 5.0	39,902 1.1	41,069 12.2	41,865 8.0	40,651 5.4
10. Capital consumption allowances and miscellaneous valuation adjustments	34,206 3.2	34,285 0.9	34,692 4.8	34,543 -1.7	34,432 3.2	34,932 4.6	35,243 3.6	35,853 7.1	36,150 3.4	35,541 3.2
11. Gross Domestic Product at market prices	283,674 2.1	286,421 3.9	287,809 2.0	292,698 7.0	287,651 2.0	294,786 2.9	299,510 6.6	305,634 8.4	309,998 5.8	302,481 5.2

Note : Percentage change from previous quarter is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT, (INCOME BASED)**  
 (\$ millions, seasonally adjusted at annual rates)

TABLE 1

	1995				1996					
	I	II	III	IV	YEAR	I	II	III	IV	YEAR
1. Wages, salaries, and supplementary labour income	172,700									
	0.0									
2. Military Pay and allowances	1,306									
	-4.1									
3. Corporation profits before taxes	26,165									
	-10.5									
4. Interest and miscellaneous investment income	17,043									
	23.5									
5. Accrued net income of farm operators from farm production	223									
	22.1									
6. Net income of non-farm unincorporated business including rent	17,008									
	4.1									
7. Inventory valuation adjustment	-2,678									
8. Net Domestic Income at factor cost	231,766									
	-0.4									
9. Indirect taxes less subsidies	42,089									
	2.2									
10. Capital consumption allowances and miscellaneous valuation adjustments	36,948									
	9.1									
11. Gross Domestic Product at market prices	310,804									
	1.0									

Note: Percentage change from previous quarter is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT, (EXPENDITURE BASED)**

(\$ millions, seasonally adjusted at annual rates)

**TABLE**

	1991					1992				
	I	II	III	IV	YEAR	I	II	III	IV	YEAR
1. Personal expenditure on consumer goods and services:	159,371	161,969	164,513	164,250	162,526	164,222	165,337	167,892	168,331	166,442
	-3.0	6.7	6.4	-0.6	2.5	-0.1	2.7	6.3	1.0	2.2
2. Goods	75,884	77,630	78,841	77,428	77,446	77,550	77,625	78,860	78,755	78,181
	-7.4	9.5	6.4	-7.0	-0.1	0.6	0.4	6.5	-0.5	1.1
3. Services	83,487	84,339	85,672	86,822	85,080	86,672	87,712	89,032	89,576	88,241
	1.4	4.1	6.5	5.5	4.9	-0.7	4.9	6.2	2.5	3.3
4. Government expenditure on goods and services:	59,294	60,986	62,457	63,221	61,490	63,238	63,041	63,790	63,334	63,359
	-0.6	11.9	10.0	5.0	8.2	0.1	-1.2	4.8	-2.8	3.0
5. Current expenditure	53,164	54,750	56,312	57,102	55,332	57,166	57,025	57,661	57,284	57,284
	1.6	12.5	11.9	5.7	8.6	0.4	-1.0	4.5	-2.6	3.1
6. Capital expenditure	6,130	6,236	6,145	6,119	6,158	6,072	6,016	6,129	6,050	6,066
	-17.1	7.1	-5.7	-1.7	4.6	-3.1	-3.6	7.7	-5.1	-7.4
7. Business gross fixed capital formation:	43,065	43,949	44,863	45,073	44,237	43,460	40,792	40,671	39,408	41,088
	-11.1	8.5	8.6	1.9	-9.6	-13.6	-22.4	-1.2	-11.8	-7.2
8. Residential construction	14,560	15,436	16,428	16,531	15,739	16,472	15,296	15,897	15,333	15,740
	-2.6	26.3	28.3	2.5	-12.6	-1.4	-25.6	16.7	-13.5	0.0
9. Non-residential construction	11,535	11,438	11,313	11,084	11,342	10,530	9,565	8,768	7,955	9,202
	-4.4	-3.3	-4.3	-7.9	-7.6	-18.6	-31.9	-29.4	-32.2	-18.6
10. Machinery and equipment	16,970	17,075	17,122	17,458	17,156	16,458	15,931	16,006	16,121	16,121
	-21.5	2.5	1.1	8.1	-8.0	-21.0	-12.2	1.9	2.9	-6.0
11. Exports of goods and services	128,227	134,503	137,310	140,589	135,157	139,665	144,248	141,743	152,003	144,411
	-19.9	21.1	8.6	9.9	-3.9	-2.6	13.8	-6.8	32.3	6.1
12. DEDUCT: Imports of goods and services	116,478	117,482	124,166	127,636	121,441	124,348	127,116	128,177	135,752	128,844
	-19.1	3.5	24.8	11.7	-2.2	-9.9	9.2	3.4	25.8	6.1
13. Value of physical change in inventories:	-254	-5,103	-2,723	-1,140	-2,305	-3,416	-1,608	-2,202	-3,165	-2,599
14. Non-farm	-15	-5,066	-2,717	-1,028	-2,206	-2,875	-1,456	-1,914	-3,010	-2,311
15. Farm and grain in commercial channels	-239	-37	-6	-112	-99	-541	-152	-288	-155	-28
16. Statistical Discrepancy	-1,327	-660	-2,195	-3,070	-1,813	-1,029	-2,031	-2,189	-1,980	-1,804
17. Gross Domestic Product at market prices	271,897	278,162	280,059	281,287	277,851	281,792	282,663	281,528	282,180	282,044
	1.1	9.5	2.8	1.8	0.1	0.7	1.2	-1.6	0.9	1.5
18. Gross Domestic Product in constant (1986) dollars	218,779	221,221	222,428	222,233	221,165	223,070	223,810	223,173	222,279	223,084
	-6.1	4.5	2.2	-0.3	-3.2	1.5	1.3	-1.1	-1.6	0.9

Note: Percentage change from previous quarter is given at annual rate on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT, (EXPENDITURE BASED)**  
(\$ millions, seasonally adjusted at annual rates)

TABLE 2

	1993					1994				
	I	II	III	IV	YEAR	I	II	III	IV	YEAR
1. Personal expenditure on consumer goods and services:	169,779	171,164	172,507	174,459	171,977	175,871	176,985	178,055	180,762	177,919
	3.5	3.3	3.2	4.6	3.3	3.3	2.6	2.4	6.2	3.5
2. Goods	79,642	80,026	80,405	81,443	80,379	82,221	82,417	82,917	84,804	83,090
	4.6	1.9	1.9	5.3	2.8	3.9	1.0	2.4	9.4	3.4
3. Services	90,137	91,138	92,102	93,016	91,598	93,650	94,568	95,138	95,958	94,829
	2.5	4.5	4.3	4.0	3.8	2.8	4.0	2.4	3.5	3.5
4. Government expenditure on goods and services:	63,427	63,370	63,363	63,073	63,308	63,151	63,432	63,421	63,685	63,422
	0.6	-0.4	0.0	-1.8	-0.1	0.5	1.8	-0.1	1.7	0.2
5. Current expenditure	57,741	57,991	58,249	58,216	58,049	58,061	58,001	57,566	57,303	57,733
	3.2	1.7	1.8	-0.2	1.3	-1.1	-0.4	-3.0	-1.8	-0.5
6. Capital expenditure	5,686	5,379	5,114	4,857	5,259	5,090	5,430	5,855	6,382	5,689
	-22.0	-19.9	-18.3	-18.6	-13.3	20.5	29.6	35.2	41.2	8.2
7. Business gross fixed capital formation:	38,266	38,022	39,312	40,563	39,041	40,971	42,424	42,931	43,440	42,441
	-11.1	-2.5	14.3	13.4	-5.0	4.1	15.0	4.9	4.8	8.7
8. Residential construction	14,163	14,087	15,027	15,500	14,694	15,462	16,085	15,784	15,449	15,695
	-27.2	-2.1	29.5	13.2	-6.7	-1.0	17.1	-7.3	-8.2	6.8
9. Non-residential construction	7,425	6,998	6,483	6,141	6,762	6,245	6,577	7,010	7,332	6,791
	-24.1	-21.1	-26.3	-19.5	-26.5	6.9	23.0	29.1	19.7	0.4
10. Machinery and equipment	16,678	16,937	17,802	18,922	17,585	19,264	19,762	20,137	20,659	19,955
	14.6	6.4	22.1	27.6	9.0	7.4	10.8	7.8	10.8	13.5
11. Exports of goods and services	154,045	158,210	159,030	170,840	160,531	168,694	180,888	186,646	201,766	184,499
	5.5	11.3	2.1	33.2	11.2	-4.9	32.2	13.4	36.6	14.9
12. DEDUCT: Imports of goods and services	138,646	143,215	143,612	155,648	145,280	155,121	164,731	166,838	179,229	166,480
	8.8	13.8	1.1	38.0	12.8	-1.3	27.2	5.2	33.2	14.6
13. Value of physical change in inventories:	-1,464	497	-2,019	513	-618	1,846	1,109	1,711	782	1,362
14. Non-farm	-1,381	535	-1,864	644	-516	1,934	1,221	1,936	1,174	1,566
15. Farm and grain in commercial channels	-83	-38	-155	-131	-102	-88	-112	-225	-392	-204
16. Statistical Discrepancy	-1,733	-1,627	-772	-1,102	-1,308	-626	-596	-292	-1,208	-681
17. Gross Domestic Product at market prices	283,674	286,421	287,809	292,698	287,651	294,786	299,510	305,634	309,998	302,482
	2.1	3.9	2.0	7.0	2.0	2.9	6.6	8.4	5.8	5.2
18. Gross Domestic Product in constant (1986) dollars	224,038	225,446	225,273	228,824	225,895	231,660	235,111	240,831	246,065	238,417
	3.2	2.5	-0.3	6.5	1.3	5.1	6.1	10.1	9.0	5.5

Note: Percentage change from previous quarter is given at annual rate on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT, (EXPENDITURE BASED)**

(\$ millions, seasonally adjusted at annual rates)

TABLE

	1995				1996				YE
	I	II	III	IV	YEAR	I	II	III	
1. Personal expenditure on consumer goods and services:	181,800								
	2.3								
2. Goods	85,488								
	3.3								
3. Services	96,312								
	1.5								
4. Government expenditure on goods and services:	63,694								
	0.1								
5. Current expenditure	57,368								
	0.5								
6. Capital expenditure	6,326								
	-3.5								
7. Business gross fixed capital formation:	43,152								
	-2.6								
8. Residential construction	14,611								
	-20.0								
9. Non-residential construction	7,216								
	-6.1								
10. Machinery and equipment	21,325								
	13.5								
11. Exports of goods and services	209,026								
	15.2								
12. DEDUCT: Imports of goods and services	190,171								
	26.7								
13. Value of physical change in inventories:	5,300								
14. Non-farm	5,419								
15. Farm and grain in commercial channels	-119								
16. Statistical Discrepancy	-1,997								
17. Gross Domestic Product at market prices	310,804								
	1.0								
18. Gross Domestic Product in constant (1986) dollars	244,762								
	-2.1								

Note: Percentage change from previous quarter is given at annual rate on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

## ONTARIO GROSS DOMESTIC PRODUCT AT 1986 PRICES

\$ millions, seasonally adjusted at annual rates)

TABLE 3

	1991										1992									
	I	II	III	IV	YEAR	I	II	III	IV	YEAR	I	II	III	IV	YEAR	I	II	III	IV	YEAR
1. Personal expenditure on consumer goods and services	128,774	129,817	131,161	131,323	130,269	130,888	131,250	132,338	132,147	131,656	-10.5	3.3	4.2	0.5	-1.9	-1.3	1.1	3.4	-0.6	1.1
2. Goods	62,251	63,198	63,862	63,259	63,143	63,439	63,267	64,010	63,821	63,634	-13.4	6.2	4.3	-3.7	-3.8	1.1	-1.1	4.8	-1.2	0.8
3. Services	66,523	66,619	67,299	68,064	67,126	67,449	67,983	68,328	68,326	68,022	-7.7	0.6	4.1	4.6	0.0	-3.6	3.2	2.0	0.0	1.3
4. Government expenditure on goods and services:	48,962	50,072	50,693	50,862	50,147	50,680	50,215	50,639	50,346	50,470	-4.6	9.4	5.1	1.3	4.8	-1.4	-3.6	3.4	-2.3	0.6
5. Current expenditure	43,118	44,046	44,657	44,786	44,151	44,626	44,132	44,320	44,031	44,277	-3.6	8.9	5.7	1.2	4.0	-1.4	-4.5	1.7	-2.6	0.3
6. Capital expenditure	5,844	6,026	6,036	6,076	5,996	6,054	6,083	6,319	6,315	6,193	-11.5	13.0	0.7	2.7	10.6	-1.4	1.9	16.4	-0.2	3.3
7. Business gross fixed capital formation:	39,670	40,172	40,985	41,851	40,670	40,661	38,871	39,412	38,792	39,434	-4.0	5.1	8.3	8.7	-6.0	-10.9	-16.5	5.7	-6.1	-3.0
8. Residential construction	10,873	11,392	12,315	12,618	11,800	12,545	11,703	12,210	11,841	12,075	-13.5	20.5	36.6	10.2	-13.5	-2.3	-24.3	18.5	-11.6	2.3
9. Non-residential construction	9,580	9,660	9,603	9,506	9,587	9,023	8,203	7,514	6,800	7,885	4.4	3.4	-2.3	-4.0	-4.4	-18.8	-31.7	-29.6	-32.9	-17.8
10. Machinery and equipment	19,217	19,120	19,067	19,727	19,283	19,092	18,965	19,688	20,151	19,474	-2.2	-2.0	-1.1	14.6	-1.5	-12.3	-2.6	16.1	9.7	1.0
11. Exports of goods and services	119,615	127,733	131,902	135,312	128,640	133,523	136,858	134,354	141,926	136,665	-17.4	30.0	13.7	10.7	-2.6	-5.2	10.4	-7.1	24.5	6.2
12. DEDUCT: Imports of goods and services	116,246	120,494	129,071	134,637	125,112	128,592	130,912	131,060	134,675	131,310	-13.4	15.4	31.7	18.4	0.4	-16.8	7.4	0.5	11.5	5.0
13. Value of physical change in inventories:	-184	-6,758	-1,072	56	-1,990	-2,086	-1,584	-1,441	-4,090	-2,300										
14. Non-farm	-36	-6,744	-1,073	160	-1,923	-1,403	-1,567	-1,103	-3,905	-1,994										
15. Farm and grain in commercial channels	-148	-14	1	-105	-67	-683	-17	-338	-185	-306										
16. Statistical Discrepancy	-1,812	679	-2,170	-2,534	-1,459	-2,004	-888	-1,069	-2,167	-1,532										
17. Gross Domestic Product	218,779	221,221	222,428	222,233	221,165	223,070	223,810	223,173	222,279	223,083	-6.1	4.5	2.2	-0.3	-3.2	1.5	1.3	-1.1	-1.6	0.9
18. Final Domestic Demand	217,407	220,063	222,841	224,036	221,087	222,228	220,336	222,389	221,286	221,560	-8.0	5.0	5.1	2.2	-1.2	-3.2	-3.4	3.8	-2.0	0.2

ote: Percentage change from previous quarter is given at annual rate on the second line.

ources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT AT 1986 PRICES**

(\$ millions, seasonally adjusted at annual rates)

TABLE

	1993					1994				
	I	II	III	IV	YEAR	I	II	III	IV	YEAR
1. Personal expenditure on consumer goods and services	132,771	133,164	133,403	134,259	133,399	135,879	136,821	137,193	139,128	137,
	1.9	1.2	0.7	2.6	1.3	4.9	2.8	1.1	5.8	
2. Goods	64,331	64,433	64,357	64,792	64,478	66,148	66,973	67,084	68,612	67,
	3.2	0.6	-0.5	2.7	1.3	8.6	5.1	0.7	9.4	
3. Services	68,440	68,731	69,046	69,467	68,921	69,731	69,848	70,109	70,516	70,
	0.7	1.7	1.8	2.5	1.3	1.5	0.7	1.5	2.3	
4. Government expenditure on goods and services:	50,320	50,235	50,112	49,926	50,148	49,945	50,143	50,245	50,390	50,
	-0.2	-0.7	-1.0	-1.5	-0.6	0.2	1.6	0.8	1.2	
5. Current expenditure	44,416	44,632	44,807	44,851	44,676	44,593	44,418	44,010	43,543	44,
	3.5	2.0	1.6	0.4	0.9	-2.3	-1.6	-3.6	-4.2	
6. Capital expenditure	5,904	5,603	5,305	5,075	5,472	5,352	5,725	6,235	6,847	6,
	-23.6	-18.9	-19.6	-16.2	-11.6	23.7	30.9	40.7	45.5	
7. Business gross fixed capital formation:	38,259	37,875	38,640	39,621	38,600	40,091	41,637	42,722	43,624	42,
	-5.4	-4.0	8.3	10.5	-2.1	4.8	16.3	10.8	8.7	
8. Residential construction	10,902	10,836	11,458	11,814	11,253	11,687	12,087	11,903	11,564	11,
	-28.1	-2.4	25.0	13.0	-6.8	-4.2	14.4	-5.9	-10.9	
9. Non-residential construction	6,272	5,946	5,471	5,174	5,716	5,222	5,421	5,742	5,976	5,
	-27.6	-19.2	-28.3	-20.1	-27.5	3.8	16.1	25.9	17.3	
10. Machinery and equipment	21,085	21,093	21,711	22,633	21,631	23,182	24,129	25,077	26,084	24,
	19.9	0.2	12.2	18.1	11.1	10.0	17.4	16.7	17.1	
11. Exports of goods and services	143,164	146,763	146,707	157,022	148,414	154,340	162,669	168,150	183,925	167,
	3.5	10.4	-0.2	31.2	8.6	-6.7	23.4	14.2	43.1	
12. DEDUCT: Imports of goods and services	137,137	141,238	140,658	152,297	142,833	150,603	156,737	159,197	172,005	159,
	7.5	12.5	-1.6	37.4	8.8	-4.4	17.3	6.4	36.3	
13. Value of physical change in inventories:	-1,433	331	-2,670	465	-827	2,253	1,101	2,497	1,641	1,
14. Non-farm	-1,350	379	-2,437	674	-684	1,285	1,349	2,000	1,324	1,
15. Farm and grain in commercial channels	-83	-48	-233	-209	-143	967	-248	497	317	
16. Statistical Discrepancy	-1,906	-1,684	-261	-172	-1,006	-245	-523	-779	-638	
17. Gross Domestic Product	224,038	225,446	225,273	228,824	225,895	231,660	235,111	240,831	246,065	238,
	3.2	2.5	-0.3	6.5	1.3	5.1	6.1	10.1	9.0	
18. Final Domestic Demand	221,350	221,275	222,155	223,806	222,146	225,915	228,601	230,161	233,142	229,
	0.1	-0.1	1.6	3.0	0.3	3.8	4.8	2.8	5.3	

Note: Percentage change from previous quarter is given at annual rate on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT AT 1986 PRICES**

(\$ millions, seasonally adjusted at annual rates)

**TABLE 3**

	1995				1996					
	I	II	III	IV	YEAR	I	II	III	IV	YEAR
1. Personal expenditure on consumer goods and services	139,024									
	-0.3									
2. Goods	68,776									
	1.0									
3. Services	70,248									
	-1.5									
4. Government expenditure on goods and services:	50,295									
	-0.8									
5. Current expenditure	43,493									
	-0.5									
6. Capital expenditure	6,802									
	-2.6									
7. Business gross fixed capital formation:	43,577									
	-0.4									
8. Residential construction	11,061									
	-16.3									
9. Non-residential construction	5,862									
	-7.4									
0. Machinery and equipment	26,654									
	9.0									
1. Exports of goods and services	185,801									
	4.1									
2. DEDUCT: Imports of goods and services	179,579									
	18.8									
3. Value of physical change in inventories:	6,026									
4. Non-farm	6,035									
5. Farm and grain in commercial channels	-9									
6. Statistical Discrepancy	-382									
7. Gross Domestic Product	244,762									
	-2.1									
8. Final Domestic Demand	232,896									
	-0.4									

Note: Percentage change from previous quarter is given at annual rate on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**SOURCES AND DISPOSITION OF ONTARIO PERSONAL INCOME**

(\$ millions, seasonally adjusted at annual rates)

TABLE

	1991					1992				
	I	II	III	IV	YEAR	I	II	III	IV	YEAR
1. Wages, salaries, and supplementary labour income	156,101 3.4	157,664 4.1	158,995 3.4	159,684 1.7	158,111 1.9	160,141 1.2	160,995 2.1	160,943 -0.1	161,072 0.3	160,943 0.3
2. Add: Military pay and allowances	1,322 15.2	1,322 0.1	1,329 2.0	1,380 16.4	1,338 4.7	1,403 6.8	1,405 0.5	1,433 8.3	1,434 0.1	1,434 0.1
3. Net income of farm operators from farm production	132 -99.1	161 124.6	37 -99.7	40 45.7	92 -70.8	83 1699.2	167 1563.3	305 1013.5	490 568.1	490 568.1
4. Net income of non-farm unincorporated business including rent	14,192 3.1	14,797 18.2	15,361 16.1	15,142 -5.6	14,873 2.8	15,074 -1.8	15,144 1.9	15,338 5.2	15,514 4.7	15,514 4.7
5. Interest, dividends, and miscellaneous investment income	37,105 -3.3	35,950 -11.9	34,766 -12.5	33,378 -15.0	35,300 -6.7	33,638 3.2	33,470 -2.0	33,056 -4.9	33,552 6.1	33,552 6.1
6. Current transfers from government, corporations and non-residents	32,716 11.4	35,558 39.5	36,679 13.2	36,736 0.6	35,423 18.7	37,517 8.8	38,393 9.7	40,180 20.0	40,580 4.0	39,580 4.0
7. Equals: Personal income	241,568 2.9	245,452 6.6	247,167 2.8	246,360 -1.3	245,137 2.6	247,856 2.5	249,574 2.8	251,255 2.7	252,642 2.2	250,642 2.2
8. Deduct: Personal direct taxes	55,216 -2.0	55,096 -0.9	56,435 10.1	57,695 9.2	56,111 1.3	58,534 5.9	56,489 -13.3	55,448 -7.2	56,437 7.3	56,437 7.3
9. Other current transfers to government	924 -5.8	946 9.8	930 -6.6	897 -13.4	924 0.8	922 11.7	943 9.5	959 6.8	982 9.9	982 9.9
10. Equals: Personal disposable income	185,428 4.4	189,410 8.9	189,802 0.8	187,768 -4.2	188,102 3.0	188,400 1.4	192,142 8.2	194,848 5.8	195,223 0.8	192,142 0.8
11. Deduct: Personal expenditure on consumer goods and services	159,371 -3.0	161,969 6.7	164,513 6.4	164,250 -0.6	162,526 2.5	164,222 -0.1	165,337 2.7	167,892 6.3	168,331 1.0	166,331 1.0
12. Current transfers to corporations	3,709 2.0	3,368 -32.0	3,146 -23.9	3,164 2.3	3,347 -13.9	2,881 -31.3	2,667 -26.5	2,233 -50.9	2,100 -21.7	2,100 -21.7
13. Current transfers to non-residents	264 29.6	283 32.2	293 15.6	318 38.1	289 5.5	342 34.0	347 6.2	352 5.4	361 11.3	361 11.3
14. Equals: Personal saving	22,084 85.3	23,790 34.7	21,850 -28.8	20,036 -29.3	21,940 10.4	20,955 19.6	23,790 66.1	24,371 10.1	24,431 1.0	23,790 1.0
15. Personal savings rate	11.9	12.6	11.5	10.7	11.7	11.1	12.4	12.5	12.5	12.5

Note: Percentage change from previous quarter is given at annual rate on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**SOURCES AND DISPOSITION OF ONTARIO PERSONAL INCOME**

\$ millions, seasonally adjusted at annual rates)

TABLE 4

	1993					1994				
	I	II	III	IV	YEAR	I	II	III	IV	YEAR
1. Wages, salaries, and supplementary labour income	161,566	161,621	161,837	162,682	161,927	162,792	164,925	167,037	169,723	166,119
	1.2	0.1	0.5	2.1	0.7	0.3	5.3	5.2	6.6	2.6
2. Add: Military pay and allowances	1,427	1,422	1,411	1,402	1,415	1,414	1,411	1,346	1,319	1,373
	-1.8	-1.4	-3.2	-2.5	-0.2	3.6	-0.9	-17.3	-7.6	-3.0
3. Net income of farm operators from farm production	376	255	165	108	226	141	208	354	470	293
	-65.3	-78.9	-82.3	-82.1	-13.5	199.0	367.9	740.0	209.2	29.9
4. Net income of non-farm unincorporated business including rent	15,816	16,206	16,562	16,908	16,373	16,716	16,800	16,877	16,838	16,808
	8.0	10.2	9.1	8.6	7.2	-4.5	2.0	1.9	-0.9	2.7
5. Interest, dividends, and miscellaneous investment income	32,940	31,807	31,522	30,760	31,757	30,871	31,747	32,939	33,758	32,329
	-7.1	-13.1	-3.5	-9.3	-5.0	1.5	11.8	15.9	10.3	1.8
6. Current transfers from government, corporations and non-residents	40,914	40,990	40,585	40,456	40,736	40,606	41,008	41,282	41,768	41,166
	3.3	0.7	-3.9	-1.3	4.0	1.5	4.0	2.7	4.8	1.1
7. Equals: Personal income	253,039	252,301	252,082	252,315	252,434	252,540	256,099	259,835	263,876	258,088
	0.6	-1.2	-0.3	0.4	0.8	0.4	5.8	6.0	6.4	2.2
8. Deduct: Personal direct taxes	56,004	54,251	57,459	60,332	57,011	57,154	58,570	60,028	60,959	59,178
	-3.0	-11.9	25.8	21.5	0.5	-19.5	10.3	10.3	6.3	3.8
9. Other current transfers to government	1,112	1,256	1,428	1,206	1,251	972	1,050	1,115	1,171	1,077
	64.5	62.9	66.9	-49.1	31.4	-57.9	36.6	26.8	21.9	-13.9
0. Equals: Personal disposable income	195,922	196,793	193,194	190,777	194,172	194,414	196,479	198,693	201,746	197,833
	1.4	1.8	-7.1	-4.9	0.8	7.8	4.3	4.6	6.3	1.9
1. Deduct: Personal expenditure on consumer goods and services	169,779	171,164	172,507	174,459	171,977	175,871	176,985	178,055	180,762	177,919
	3.5	3.3	3.2	4.6	3.3	3.3	2.6	2.4	6.2	3.5
2. Current transfers to corporations	2,133	2,022	1,852	1,876	1,971	1,695	1,691	2,030	1,998	1,854
	6.3	-19.3	-29.6	5.4	-20.2	-33.4	-0.8	107.7	-6.1	-5.9
3. Current transfers to non-residents	371	369	367	366	368	386	389	395	398	392
	10.9	-1.1	-2.7	-1.1	5.1	24.4	2.6	6.4	2.6	6.5
4. Equals: Personal saving	23,640	23,239	18,469	14,077	19,856	16,462	17,414	18,212	18,588	17,669
	-12.3	-6.6	-60.1	-66.3	-15.1	87.0	25.2	19.7	8.5	-11.0
5. Personal savings rate	12.1	11.8	9.6	7.4	10.2	8.5	8.9	9.2	9.2	8.9

ote: Percentage change from previous quarter is given at annual rate on the second line.

ources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**SOURCES AND DISPOSITION OF ONTARIO PERSONAL INCOME**

(\$ millions, seasonally adjusted at annual rates)

TABLE

	1995				1996				
	I	II	III	IV	YEAR	I	II	III	IV
1. Wages, salaries, and supplementary labour income	169,744								
	0.0								
2. Add: Military pay and allowances	1,306								
	-4.1								
3. Net income of farm operators from farm production	546								
	82.0								
4. Net income of non-farm unincorporated business including rent	17,008								
	4.1								
5. Interest, dividends, and miscellaneous investment income	34,843								
	13.5								
6. Current transfers from government, corporations and non-residents	41,737								
	-0.3								
7. Equals: Personal income	265,184								
	2.0								
8. Deduct: Personal direct taxes	60,152								
	-5.2								
9. Other current transfers to government	1,244								
	27.3								
10. Equals: Personal disposable income	203,788								
	4.1								
11. Deduct: Personal expenditure on consumer goods and services	181,800								
	2.3								
12. Current transfers to corporations	2,221								
	52.6								
13. Current transfers to non-residents	415								
	18.4								
14. Equals: Personal saving	19,352								
	17.5								
15. Personal savings rate	9.5								

Note: Percentage change from previous quarter is given at annual rate on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO TRADE**  
(\$ millions, seasonally adjusted at annual rates)

TABLE 5

	1991				1992					
	I	II	III	IV	YEAR	I	II	III	IV	YEAR
1. Exports of Goods and Services	128,227	134,503	137,310	140,569	135,157	139,665	144,248	141,743	152,003	144,415
	-19.9	21.1	8.6	9.9	-3.9	-2.6	13.8	-6.8	32.3	6.8
2. Of Which: International	71,916	76,400	80,028	82,302	77,661	83,812	87,160	85,264	94,266	87,626
	-18.5	27.4	20.4	11.9	-2.5	7.5	17.0	-8.4	49.4	12.8
3. Goods	60,988	65,192	68,816	70,700	66,424	72,222	75,240	73,752	82,222	75,859
	-21.3	30.6	24.2	11.4	-3.7	8.9	17.8	-7.7	54.5	14.2
4. Services	10,928	11,208	11,212	11,602	11,237	11,590	11,920	11,512	12,044	11,767
	-0.1	10.6	0.1	14.7	5.1	-0.4	11.9	-13.0	19.8	4.7
5. Of Which: Interprovincial Goods and Services	56,311	58,103	57,282	58,287	57,496	55,853	57,088	56,479	57,737	56,789
	-21.6	13.3	-5.5	7.2	-5.8	-15.8	9.1	-4.2	9.2	-1.2
6. Imports of Goods and Services	116,478	117,482	124,166	127,636	121,441	124,348	127,116	128,177	135,752	128,848
	-19.1	3.5	24.8	11.7	-2.2	-9.9	9.2	3.4	25.8	6.1
7. Trade Balance	11,749	17,021	13,144	12,953	13,716	15,317	17,132	13,566	16,251	15,567

Note: Percentage change from previous quarter is given at annual rate on the second line.

Source: Office of Economic Policy, Ontario Ministry of Finance

**ONTARIO TRADE**  
(\$ millions, seasonally adjusted at annual rates)

TABLE 5

	1993				1994					
	I	II	III	IV	YEAR	I	II	III	IV	YEAR
1. Exports of Goods and Services	154,045 5.5	158,210 11.3	159,030 2.1	170,840 33.2	160,531 11.2	168,694 -4.9	180,888 32.2	186,646 13.4	201,766 36.6	184,499 14.9
2. Of Which: International	96,126 8.1	99,174 13.3	98,404 -3.1	109,480 53.2	100,796 15.0	108,046 -5.1	118,954 46.9	123,690 16.9	137,576 53.0	122,067 21.1
3. Goods	83,886 8.3	86,498 13.0	85,330 -5.3	95,868 59.3	87,895 15.9	94,282 -6.5	104,418 50.4	109,104 19.2	122,174 57.2	107,495 22.3
4. Services	12,240 6.7	12,676 15.0	13,074 13.2	13,612 17.5	12,901 9.6	13,764 4.5	14,536 24.4	14,586 1.4	15,402 24.3	14,572 13.0
5. Of Which: Interprovincial Goods and Services	57,919 1.3	59,036 7.9	60,626 11.2	61,360 4.9	59,735 5.2	60,648 -4.6	61,934 8.8	62,956 6.8	64,190 8.1	62,432 4.5
6. Imports of Goods and Services	138,646 8.8	143,215 13.8	143,612 1.1	155,648 38.0	145,280 12.8	155,121 -1.3	164,731 27.2	166,838 5.2	179,229 33.2	166,480 14.6
7. Trade Balance	15,399 14,995	14,995 15,418	15,192 15,251	15,251 13,573	16,157 13,573	19,808 16.9	22,537 5.2	22,537 5.2	18,019 33.2	

Note: Percentage change from previous quarter is given at annual rate on the second line.

Source: Office of Economic Policy, Ontario Ministry of Finance

**ONTARIO TRADE**  
 (\$ millions, seasonally adjusted at annual rates)

TABLE 5

	1995				1996					
	I	II	III	IV	YEAR	I	II	III	IV	YEAR
1. Exports of Goods and Services	209,026									
		15.2								
2. Of Which: International	144,400									
		21.4								
3. Goods	128,884									
		23.8								
4. Services	15,516									
		3.0								
5. Of Which: Interprovincial Goods and Services	64,626									
		2.7								
6. Imports of Goods and Services	190,171									
		26.7								
7. Trade Balance	18,855									

Note: Percentage change from previous quarter is given at annual rate on the second line.

Source: Office of Economic Policy, Ontario Ministry of Finance

**RELATIONSHIP BETWEEN ONTARIO GROSS DOMESTIC PRODUCT  
AND ONTARIO GROSS PROVINCIAL PRODUCT**  
*( $\$$  millions, seasonally adjusted at annual rates)*

**TABLE 6**

	1991				1992				YEAR
	I	II	III	IV	YEAR	I	II	III	
1. Gross Domestic Product at market prices	271,898	278,162	280,059	281,287	277,851	281,792	282,663	281,528	282,180
	1.1	9.5	2.8	1.8	0.1	0.7	1.2	-1.6	0.9
									1.5
2. Less: Investment income paid to non-residents	13,464	13,166	13,384	13,510	13,381	14,222	13,749	13,235	13,803
	-11.0	-8.6	6.8	3.8	-5.2	22.8	-12.6	-14.2	18.4
									2.8
3. Plus: Investment income received from non-residents	6,740	6,317	5,873	6,827	6,439	5,938	5,805	6,093	5,812
	-9.3	-22.8	-25.3	82.5	-3.5	-42.8	-8.6	21.4	-17.2
									-8.2
4. Equals: Gross Provincial Product at market prices	265,174	271,313	272,548	274,604	270,909	273,508	274,719	274,386	274,189
	1.5	9.6	1.8	3.1	0.3	-1.6	1.8	-0.5	-0.3
									1.2

Note: Percentage change from previous quarter is given at annual rate on the second line.

Source: Office of Economic Policy, Ontario Ministry of Finance

**RELATIONSHIP BETWEEN ONTARIO GROSS DOMESTIC PRODUCT  
AND ONTARIO GROSS PROVINCIAL PRODUCT**  
(\$ millions, seasonally adjusted at annual rates)

TABLE 6

	1993				1994					
	I	II	III	IV	YEAR	I	II	III	IV	YEAR
1. Gross Domestic Product at market prices	283,674	286,421	287,809	292,668	287,651	294,786	299,510	305,634	309,998	302,482
	2.1	3.9	2.0	7.0	2.0	2.9	6.6	8.4	5.8	5.2
2. Less: Investment income paid to non-residents	13,926	13,684	14,020	14,572	14,050	14,653	16,231	15,204	15,014	15,276
	3.6	-6.8	10.2	16.7	2.2	2.3	50.5	-23.0	-4.9	8.7
3. Plus: Investment income received from non-residents	6,732	6,553	6,253	6,571	6,527	6,074	7,011	6,965	7,899	6,988
	80.0	-10.2	-17.1	21.9	10.4	-27.0	77.5	-2.6	65.4	7.1
4. Equals: Gross Provincial Product at market prices	276,480	279,290	280,042	284,697	280,128	286,207	290,290	297,395	302,883	294,194
	3.4	4.1	1.1	6.8	2.2	2.1	5.8	10.2	7.6	5.0

Note: Percentage change from previous quarter is given at annual rate on the second line.

Source: Office of Economic Policy, Ontario Ministry of Finance

**RELATIONSHIP BETWEEN ONTARIO GROSS DOMESTIC PRODUCT  
AND ONTARIO GROSS PROVINCIAL PRODUCT**  
*( $\$$  millions, seasonally adjusted at annual rates)*

TABLE 6

	1995				1996				YEAR
	I	II	III	IV	I	II	III	IV	
1. Gross Domestic Product at market prices	310,804								
		1.0							
2. Less: Investment income paid to non-residents		16,355							
		40.8							
3. Plus: Investment income received from non-residents			8,374						
			26.3						
4. Equals: Gross Provincial Product at market prices				302,823				-0.1	

Note: Percentage change from previous quarter is given at annual rate on the second line.

Source: Office of Economic Policy, Ontario Ministry of Finance

**ONTARIO DEFATORS**

(1986 = 100)

**TABLE 7**

	1991					1992				
	I	II	III	IV	YEAR	I	II	III	IV	YEAR
1. Personal expenditure on consumer goods and services	123.8 8.4	124.8 3.3	125.4 2.1	125.1 -1.1	124.8 4.4	125.5 1.3	126.0 1.6	126.9 2.9	127.4 1.6	126.4 1.3
2. Goods	121.9 6.8	122.8 3.1	123.5 2.0	122.4 -3.4	122.6 3.9	122.2 -0.5	122.7 1.5	123.2 1.7	123.4 0.7	122.9 0.2
3. Services	125.5 9.8	126.6 3.6	127.3 2.2	127.6 0.8	126.7 5.0	128.5 3.0	129.0 1.6	130.3 4.0	131.1 2.5	129.7 2.4
4. Government expenditure on goods and services:	121.1 4.2	121.8 2.3	123.2 4.7	124.3 3.6	122.6 3.2	124.8 1.6	125.5 2.5	126.0 1.4	125.8 -0.5	125.5 2.4
5. Current expenditure	123.3 5.4	124.3 3.3	126.1 5.9	127.5 4.5	125.3 4.4	128.1 1.9	129.2 3.5	130.1 2.8	130.1 0.0	129.4 3.3
6. Capital expenditure	104.9 -6.2	103.5 -5.2	101.8 -6.4	100.7 -4.3	102.7 -5.5	100.3 -1.6	98.9 -5.5	97.0 -7.5	95.8 -4.9	98.0 -4.6
7. Business gross fixed capital formation:	108.6 -7.4	109.4 3.2	109.5 0.2	107.7 -6.3	108.8 -3.8	106.9 -3.0	104.9 -7.1	103.3 -6.1	101.6 -6.4	104.2 -4.2
8. Residential construction	133.9 12.6	135.5 4.9	133.4 -6.1	131.0 -7.0	133.5 1.2	131.3 0.9	130.7 -1.8	130.2 -1.5	129.5 -2.1	130.4 -2.3
9. Non-residential construction	120.4 -8.5	118.4 -6.5	117.8 -2.0	116.6 -4.0	118.3 -3.3	116.7 0.3	116.6 -0.3	116.7 0.3	117.0 1.0	116.8 -1.3
10. Machinery and equipment	88.3 -19.8	89.3 4.6	89.8 2.3	88.5 -5.7	89.0 -6.5	86.2 -10.0	84.0 -9.8	81.3 -12.3	80.0 -6.2	82.9 -6.9
11. Exports of goods and services	107.2 -2.9	105.3 -6.9	104.1 -4.5	103.9 -0.8	105.1 -1.3	104.6 2.7	105.4 3.1	105.5 0.4	107.1 6.2	105.7 0.5
12. DEDUCT: Imports of goods and services	100.2 -6.5	97.5 -10.4	96.2 -5.2	94.8 -5.7	97.2 -2.5	96.7 8.3	97.1 1.7	97.8 2.9	100.8 12.8	98.1 1.0
13. Value of physical change in inventories:	138.0	75.5	254.3	-2047.3	116.1	163.8	101.6	152.9	77.4	112.9
14. Non-farm	41.6	75.1	253.1	-641.2	114.7	204.9	93.0	173.5	77.1	116.0
15. Farm and grain in commercial channels	161.7	258.8	-323.7	108.2	135.4	79.2	876.7	85.3	83.6	92.8
16. Gross Domestic Product	124.3 7.7	125.7 4.8	125.9 0.5	126.6 2.1	125.6 3.5	126.3 -0.8	126.3 -0.1	126.1 -0.5	126.9 2.6	126.4 0.6
17. Final Domestic Demand	120.4 4.6	121.3 3.0	122.0 2.3	121.7 -1.1	121.3 2.7	121.9 0.9	122.2 0.8	122.6 1.3	122.6 0.1	122.3

Note: Percentage change from previous quarter is given at annual rate on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO DEFLATORS**

(1986 = 100)

TAB

	1993					1994				
	I	II	III	IV	YEAR	I	II	III	IV	YEAR
1. Personal expenditure on consumer goods and services	127.9 1.6	128.5 2.1	129.3 2.4	129.9 2.0	128.9 2.0	129.4 -1.6	129.4 -0.2	129.8 1.3	129.9 0.4	129.9 1.3
2. Goods	123.8 1.3	124.2 1.3	124.9 2.4	125.7 2.5	124.7 1.4	124.3 -4.4	123.1 -3.9	123.6 1.8	123.6 0.0	123.6 1.3
3. Services	131.7 1.8	132.6 2.8	133.4 2.4	133.9 1.5	132.9 2.4	134.3 1.2	135.4 3.3	135.7 0.9	136.1 1.1	136.1 1.3
4. Government expenditure on goods and services:	126.0 0.8	126.1 0.3	126.4 0.9	126.3 -0.3	126.2 0.6	126.4 0.3	126.5 0.2	126.2 -0.9	126.4 0.5	126.4 1.2
5. Current expenditure	130.0 -0.3	129.9 -0.2	130.0 0.2	129.8 -0.6	129.9 0.4	130.2 1.2	130.6 1.2	130.8 0.7	131.6 2.5	131.6 1.3
6. Capital expenditure	96.3 2.1	96.0 -1.2	96.4 1.7	95.7 -2.9	96.1 -1.9	95.1 -2.5	94.9 -1.0	93.9 -3.9	93.2 -2.9	93.2 9.0
7. Business gross fixed capital formation:	100.0 -6.1	100.4 1.5	101.7 5.5	102.4 2.5	101.1 -2.9	102.2 -0.7	101.9 -1.2	100.5 -5.4	99.6 -3.6	100.0 -1.0
8. Residential construction	129.9 1.2	130.0 0.3	131.2 3.6	131.2 0.2	130.6 0.1	132.3 3.4	133.1 2.4	132.6 -1.4	133.6 3.1	133.6 1.3
9. Non-residential construction	118.4 4.9	117.7 -2.3	118.5 2.7	118.7 0.7	118.3 1.3	119.6 3.1	121.3 5.9	122.1 2.6	122.7 2.0	122.7 1.2
10. Machinery and equipment	79.1 -4.4	80.3 6.2	82.0 8.7	83.6 8.0	81.3 -2.0	83.1 -2.4	81.9 -5.7	80.3 -7.6	79.2 -5.4	80.0 -5.4
11. Exports of goods and services	107.6 1.9	107.8 0.7	108.4 2.2	108.8 1.5	108.2 2.4	109.3 1.9	111.2 7.1	111.0 -0.7	109.7 -4.6	111.0 -1.0
12. DEDUCT: Imports of goods and services	101.1 1.2	101.4 1.2	102.1 2.8	102.2 0.4	101.7 3.7	103.0 3.2	105.1 8.4	104.8 -1.1	104.2 -2.3	104.2 -1.0
13. Value of physical change in inventories:	102.0	150.3	75.6	110.2	74.7	81.9	100.7	68.5	47.7	74.0
14. Non-farm	102.3	141.3	76.5	95.6	75.6	150.5	90.5	96.8	88.7	100.0
15. Farm and grain in commercial channels	99.1	79.2	66.5	62.9	71.0	-9.1	45.2	-45.3	-123.6	-5.0
16. Gross Domestic Product	126.6 -1.0	127.0 1.4	127.8 2.3	127.9 0.5	127.3 0.7	127.2 -2.1	127.4 0.4	126.9 -1.5	126.0 -2.9	126.0 -1.0
17. Final Domestic Demand	122.6 0.1	123.2 1.7	123.9 2.3	124.3 1.3	123.5 1.0	123.9 -1.0	123.7 -0.7	123.6 -0.5	123.5 -0.3	123.5 1.2

Note: Percentage change from previous quarter is given at annual rate on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO DEFLATORS**  
(1986 = 100)

TABLE 7

	1995				1996				
	I	II	III	IV	YEAR	I	II	III	IV
1. Personal expenditure on consumer goods and services	130.8								
	2.6								
2. Goods	124.3								
	2.3								
3. Services	137.1								
	3.0								
4. Government expenditure on goods and services:	126.6								
	0.8								
5. Current expenditure	131.9								
	0.9								
6. Capital expenditure	93.0								
	-0.9								
7. Business gross fixed capital formation:	99.0								
	-2.2								
8. Residential construction	132.1								
	-4.4								
9. Non-residential construction	123.1								
	1.3								
10. Machinery and equipment	80.0								
	4.1								
11. Exports of goods and services	112.5								
	10.6								
12. DEDUCT: Imports of goods and services	105.9								
	6.7								
13. Value of physical change in inventories:	87.9								
14. Non-farm	89.8								
15. Farm and grain in commercial channels	1284.6								
16. Gross Domestic Product	127.0								
	3.2								
17. Final Domestic Demand	123.9								
	1.5								

**Note:** Percentage change from previous quarter is given at annual rate on the second line.

**Sources:** Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT, (INCOME BASED)**  
 (\$ millions)

**TABLE 8**

	1990	1991	1992	1993	1994
1. Wages, salaries, and supplementary labour income	157,763 3.3	160,755 1.9	163,477 1.7	164,635 0.7	168,896 2.6
2. Military pay and allowances	1,278 7.4	1,338 4.7	1,419 6.0	1,415 -0.2	1,373 -3.0
3. Corporation profits before taxes	19,745 -28.3	16,092 -18.5	16,129 0.2	18,538 14.9	25,381 36.9
4. Interest and miscellaneous investment income	16,766 8.9	15,412 -8.1	16,023 4.0	14,591 -8.9	15,808 8.3
5. Accrued net income of farm operators from farm production	352 142.8	229 -34.9	221 -3.6	135 -38.7	263 94.5
6. Net income of non-farm unincorporated business including rent	14,472 -0.5	14,873 2.8	15,268 2.7	16,373 7.2	16,808 2.7
7. Inventory valuation adjustment	-19	874	-1,093	-1,046	-2,249
8. Net Domestic Income at factor cost	210,357 -0.3	209,573 -0.4	211,444 0.9	214,641 1.5	226,280 5.4
9. Indirect taxes less subsidies	36,597 -1.2	35,999 -1.6	37,242 3.5	38,578 3.6	40,657 5.4
10. Capital consumption allowances and miscellaneous valuation adjustments	30,500 13.5	32,279 5.8	33,354 3.3	34,432 3.2	35,545 3.2
11. Gross Domestic Product at market prices	277,454 1.0	277,851 0.1	282,040 1.5	287,651 2.0	302,482 5.2

**Note:** Percentage change from previous year is given on the second line.

**Sources:** Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT, (EXPENDITURE BASED)**  
(\$ millions)

**TABLE 9**

	1990	1991	1992	1993	1994
<b>1. Personal expenditure on consumer goods and services:</b>	<b>158,584</b>	<b>162,526</b>	<b>166,445</b>	<b>171,977</b>	<b>177,919</b>
	4.4	2.5	2.4	3.3	3.5
<b>2. Goods</b>	<b>77,486</b>	<b>77,446</b>	<b>78,197</b>	<b>80,379</b>	<b>83,090</b>
	1.0	-0.1	1.0	2.8	3.4
<b>3. Services</b>	<b>81,098</b>	<b>85,080</b>	<b>88,248</b>	<b>91,598</b>	<b>94,829</b>
	7.9	4.9	3.7	3.8	3.5
<b>4. Government expenditure on goods and services:</b>	<b>56,842</b>	<b>61,490</b>	<b>63,351</b>	<b>63,308</b>	<b>63,422</b>
	11.2	8.2	3.0	-0.1	0.2
<b>5. Current expenditure</b>	<b>50,957</b>	<b>55,332</b>	<b>57,284</b>	<b>58,049</b>	<b>57,733</b>
	10.5	8.6	3.5	1.3	-0.5
<b>6. Capital expenditure</b>	<b>5,885</b>	<b>6,158</b>	<b>6,067</b>	<b>5,259</b>	<b>5,689</b>
	18.0	4.6	-1.5	-13.3	8.2
<b>7. Business gross fixed capital formation:</b>	<b>48,928</b>	<b>44,237</b>	<b>41,083</b>	<b>39,041</b>	<b>42,441</b>
	-12.8	-9.6	-7.1	-5.0	8.7
<b>8. Residential construction</b>	<b>18,013</b>	<b>15,739</b>	<b>15,749</b>	<b>14,694</b>	<b>15,695</b>
	-22.8	-12.6	0.1	-6.7	6.8
<b>9. Non-residential construction</b>	<b>12,273</b>	<b>11,342</b>	<b>9,205</b>	<b>6,762</b>	<b>6,791</b>
	-5.8	-7.6	-18.8	-26.5	0.4
<b>10. Machinery and equipment</b>	<b>18,642</b>	<b>17,156</b>	<b>16,129</b>	<b>17,585</b>	<b>19,955</b>
	-5.5	-8.0	-6.0	9.0	13.5
<b>11. Exports of goods and services</b>	<b>140,709</b>	<b>135,157</b>	<b>144,415</b>	<b>160,531</b>	<b>184,499</b>
	-0.2	-3.9	6.8	11.2	14.9
<b>12. DEDUCT: Imports of goods and services</b>	<b>124,155</b>	<b>121,441</b>	<b>128,848</b>	<b>145,280</b>	<b>166,480</b>
	-2.3	-2.2	6.1	12.8	14.6
<b>13. Value of physical change in inventories</b>	<b>-2,494</b>	<b>-2,305</b>	<b>-2,597</b>	<b>-618</b>	<b>1,362</b>
<b>14. Non-farm</b>	<b>-2,408</b>	<b>-2,206</b>	<b>-2,313</b>	<b>-516</b>	<b>1,566</b>
<b>15. Farm and grain in commercial channels</b>	<b>-86</b>	<b>-99</b>	<b>-284</b>	<b>-102</b>	<b>-204</b>
<b>16. Statistical Discrepancy</b>	<b>-960</b>	<b>-1,813</b>	<b>-1,808</b>	<b>-1,308</b>	<b>-681</b>
<b>17. Gross Domestic Product at market prices</b>	<b>277,454</b>	<b>277,851</b>	<b>282,040</b>	<b>287,652</b>	<b>302,482</b>
	1.0	0.1	1.5	2.0	5.2
<b>18. Gross Domestic Product in constant (1986) dollars</b>	<b>228,501</b>	<b>221,165</b>	<b>223,083</b>	<b>225,895</b>	<b>238,417</b>
	-1.1	-3.2	0.9	1.3	5.5

Note: Percentage change from previous year is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT AT 1986 PRICES**  
**(*\$ millions*)**

**TABLE 10**

	1990	1991	1992	1993	1994
<b>1. Personal expenditure on consumer goods and services:</b>	<b>132,774</b>	<b>130,269</b>	<b>131,656</b>	<b>133,399</b>	<b>137,255</b>
	0.2	-1.9	1.1	1.3	2.9
<b>2. Goods</b>	<b>65,622</b>	<b>63,143</b>	<b>63,634</b>	<b>64,478</b>	<b>67,204</b>
	-2.8	-3.8	0.8	1.3	4.2
<b>3. Services</b>	<b>67,152</b>	<b>67,126</b>	<b>68,022</b>	<b>68,921</b>	<b>70,051</b>
	3.3	0.0	1.3	1.3	1.6
<b>4. Government expenditure on goods and services:</b>	<b>47,855</b>	<b>50,147</b>	<b>50,470</b>	<b>50,148</b>	<b>50,181</b>
	6.1	4.8	0.6	-0.6	0.1
<b>5. Current expenditure</b>	<b>42,435</b>	<b>44,151</b>	<b>44,277</b>	<b>44,676</b>	<b>44,141</b>
	4.8	4.0	0.3	0.9	-1.2
<b>6. Capital expenditure</b>	<b>5,420</b>	<b>5,996</b>	<b>6,193</b>	<b>5,472</b>	<b>6,040</b>
	18.3	10.6	3.3	-11.6	10.4
<b>7. Business gross fixed capital formation:</b>	<b>43,246</b>	<b>40,670</b>	<b>39,434</b>	<b>38,600</b>	<b>42,018</b>
	-11.2	-6.0	-3.0	-2.1	8.9
<b>8. Residential construction</b>	<b>13,637</b>	<b>11,800</b>	<b>12,075</b>	<b>11,253</b>	<b>11,810</b>
	-21.1	-13.5	2.3	-6.8	5.0
<b>9. Non-residential construction</b>	<b>10,031</b>	<b>9,587</b>	<b>7,885</b>	<b>5,716</b>	<b>5,590</b>
	-7.8	-4.4	-17.8	-27.5	-2.2
<b>10. Machinery and equipment</b>	<b>19,578</b>	<b>19,283</b>	<b>19,474</b>	<b>21,631</b>	<b>24,618</b>
	-4.6	-1.5	1.0	11.1	13.8
<b>11. Exports of goods and services</b>	<b>132,124</b>	<b>128,640</b>	<b>136,665</b>	<b>148,414</b>	<b>167,271</b>
	-0.8	-2.6	6.2	8.6	12.7
<b>12. DEDUCT: Imports of goods and services</b>	<b>124,560</b>	<b>125,112</b>	<b>131,310</b>	<b>142,833</b>	<b>159,635</b>
	-3.1	0.4	5.0	8.8	11.8
<b>13. Value of physical change in inventories</b>	<b>-2,166</b>	<b>-1,990</b>	<b>-2,300</b>	<b>-827</b>	<b>1,873</b>
<b>14. Non-farm</b>	<b>-2133</b>	<b>-1,923</b>	<b>-1,994</b>	<b>-684</b>	<b>1,490</b>
<b>15. Farm and grain in commercial channels</b>	<b>-33</b>	<b>-67</b>	<b>-306</b>	<b>-143</b>	<b>383</b>
<b>16. Statistical Discrepancy</b>	<b>-772</b>	<b>-1,459</b>	<b>-1,532</b>	<b>-1,006</b>	<b>-546</b>
<b>17. Gross Domestic Product</b>	<b>228,501</b>	<b>221,165</b>	<b>223,083</b>	<b>225,895</b>	<b>238,417</b>
	-1.9	-3.2	0.9	1.3	5.5
<b>18. Final Domestic Demand (1986) dollars</b>	<b>223,875</b>	<b>221,087</b>	<b>221,560</b>	<b>222,146</b>	<b>229,455</b>
	-1.1	-1.2	0.2	0.3	3.3

**Note:** Percentage change from previous year is given on the second line.

**Sources:** Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**SOURCES AND DISPOSITION OF ONTARIO PERSONAL INCOME**  
(\$ millions)

**TABLE 11**

	1990	1991	1992	1993	1994
<b>1. Wages, salaries, and supplementary labour income</b>	<b>155,163</b> 2.6	<b>158,111</b> 1.9	<b>160,788</b> 1.7	<b>161,927</b> 0.7	<b>166,119</b> 2.6
<b>2. Add: Military pay and allowances</b>	<b>1,278</b> 7.4	<b>1,338</b> 4.7	<b>1,419</b> 6.0	<b>1,415</b> -0.2	<b>1,373</b> -3.0
<b>3. Net income of farm operators from farm production</b>	<b>315</b> 29.9	<b>92</b> -70.8	<b>261</b> 183.9	<b>226</b> -13.5	<b>293</b> 29.9
<b>4. Net income of non-farm unincorporated business including rent</b>	<b>14,472</b> -0.5	<b>14,873</b> 2.8	<b>15,268</b> 2.7	<b>16,373</b> 7.2	<b>16,808</b> 2.7
<b>5. Interest, dividends, and miscellaneous investment income</b>	<b>37,840</b> 13.3	<b>35,300</b> -6.7	<b>33,429</b> -5.3	<b>31,757</b> -5.0	<b>32,329</b> 1.8
<b>6. Current transfers from government, corporations and non-residents</b>	<b>29,834</b> 14.4	<b>35,423</b> 18.7	<b>39,167</b> 10.6	<b>40,736</b> 4.0	<b>41,166</b> 1.1
<b>7. Equals: Personal income</b>	<b>238,902</b> 5.4	<b>245,137</b> 2.6	<b>250,332</b> 2.1	<b>252,434</b> 0.8	<b>258,088</b> 2.2
<b>8. Deduct: Personal direct taxes</b>	<b>55,370</b> 15.9	<b>56,111</b> 1.3	<b>56,727</b> 1.1	<b>57,011</b> 0.5	<b>59,178</b> 3.8
<b>9. Other current transfers to government</b>	<b>917</b> -65.0	<b>924</b> 0.8	<b>952</b> 3.0	<b>1,251</b> 31.4	<b>1,077</b> -13.9
<b>10. Equals: Personal disposable income</b>	<b>182,615</b> 3.6	<b>188,102</b> 3.0	<b>192,653</b> 2.4	<b>194,172</b> 0.8	<b>197,833</b> 1.9
<b>11. Deduct: Personal expenditure on consumer goods and services</b>	<b>158,584</b> 4.4	<b>162,526</b> 2.5	<b>166,445</b> 2.4	<b>171,977</b> 3.3	<b>177,918</b> 3.5
<b>12. Current transfers to corporations</b>	<b>3,885</b> 9.2	<b>3,347</b> -13.9	<b>2,470</b> -26.2	<b>1,971</b> -20.2	<b>1,854</b> -5.9
<b>13. Current transfers to non-residents</b>	<b>274</b> -4.5	<b>289</b> 5.5	<b>351</b> 21.3	<b>368</b> 5.0	<b>392</b> 6.5
<b>14. Equals: Personal saving</b>	<b>19,872</b> -3.2	<b>21,940</b> 10.4	<b>23,387</b> 6.6	<b>19,856</b> -15.1	<b>17,669</b> -11.0
<b>15. Personal savings rate</b>	<b>10.9</b>	<b>11.7</b>	<b>12.1</b>	<b>10.2</b>	<b>8.9</b>

Note: Percentage change from previous year is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO TRADE**  
(\$ millions)

**TABLE 12**

	1990	1991	1992	1993	1994
<b>1. Exports of Goods and Services</b>	<b>140,710</b>	<b>135,157</b>	<b>144,415</b>	<b>160,531</b>	<b>184,499</b>
	-0.2	-3.9	6.8	11.2	14.9
<b>2. Of Which: International</b>	<b>79,666</b>	<b>77,661</b>	<b>87,626</b>	<b>100,796</b>	<b>122,067</b>
	3.1	-2.5	12.8	15.0	21.1
<b>3. Goods</b>	<b>68,973</b>	<b>66,424</b>	<b>75,859</b>	<b>87,895</b>	<b>107,495</b>
	2.8	-3.7	14.2	15.9	22.3
<b>4. Services</b>	<b>10,693</b>	<b>11,237</b>	<b>11,767</b>	<b>12,901</b>	<b>14,572</b>
	5.4	5.1	4.7	9.6	13.0
<b>5. Of Which: Interprovincial Goods and Services</b>	<b>61,044</b>	<b>57,496</b>	<b>56,789</b>	<b>59,735</b>	<b>62,432</b>
	-4.3	-5.8	-1.2	5.2	4.5
<b>6. Imports of Goods and Services</b>	<b>124,155</b>	<b>121,441</b>	<b>128,848</b>	<b>145,280</b>	<b>166,480</b>
	-2.3	-2.2	6.1	12.8	14.6
<b>7. Trade Balance</b>	<b>16,555</b>	<b>13,716</b>	<b>15,567</b>	<b>15,251</b>	<b>18,019</b>

Note: Percentage change from previous year is given on the second line.

Source: Office of Economic Policy, Ontario Ministry of Finance

**RELATIONSHIP BETWEEN ONTARIO GROSS DOMESTIC PRODUCT  
AND ONTARIO GROSS PROVINCIAL PRODUCT**

*(\$ millions)*

**TABLE 13**

	1990	1991	1992	1993	1994
<b>1. Gross Domestic Product at market prices</b>	<b>277,454</b>	<b>277,851</b>	<b>282,040</b>	<b>287,651</b>	<b>302,482</b>
	1.0	0.1	1.5	2.0	5.2
<b>2. Less: Investment income paid to non-residents</b>	<b>14,118</b>	<b>13,381</b>	<b>13,752</b>	<b>14,050</b>	<b>15,276</b>
	5.7	-5.2	2.8	2.2	8.7
<b>3. Plus: Investment income received from non-residents</b>	<b>6,673</b>	<b>6,439</b>	<b>5,912</b>	<b>6,527</b>	<b>6,988</b>
	1.3	-3.5	-8.2	10.4	7.1
<b>4. Equals: Gross Provincial Product at market prices</b>	<b>270,009</b>	<b>270,909</b>	<b>274,200</b>	<b>280,128</b>	<b>294,194</b>
	0.7	0.3	1.2	2.2	5.0

Note: Percentage change from previous year is given on the second line.

Source: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO DEFLATORS**

(1986 = 100)

**TABLE 14**

	1990	1991	1992	1993	1994
1. Personal expenditure on consumer goods and services:	119.5 4.3	124.8 4.4	126.4 1.3	128.9 2.0	129.6 0.5
2. Goods	118.1 3.9	122.6 3.9	122.9 0.2	124.7 1.4	123.6 -0.8
3. Services	120.8 4.5	126.7 5.0	129.7 2.4	132.9 2.4	135.4 1.9
4. Government expenditure on goods and services:	118.8 4.8	122.6 3.2	125.5 2.4	126.2 0.6	126.4 0.1
5. Current expenditure	120.1 5.5	125.3 4.4	129.4 3.3	129.9 0.4	130.8 0.7
6. Capital expenditure	108.7 -0.1	102.7 -5.5	98.0 -4.6	96.1 -1.9	94.3 -1.9
7. Business gross fixed capital formation:	113.0 -1.9	108.8 -3.8	104.2 -4.2	101.1 -2.9	101.0 -0.1
8. Residential construction	131.9 -2.4	133.5 1.2	130.4 -2.3	130.6 0.1	132.9 1.8
9. Non-residential construction	122.4 2.3	118.3 -3.3	116.8 -1.3	118.3 1.3	121.4 2.6
10. Machinery and equipment	95.2 -1.0	89.0 -6.5	82.9 -6.9	81.3 -2.0	81.1 -0.2
11. Exports of goods and services	106.6 0.6	105.1 -1.3	105.7 0.5	108.2 2.4	110.3 2.0
12. DEDUCT: Imports of goods and services	99.6 0.8	97.2 -2.5	98.1 1.0	101.7 3.7	104.3 2.5
13. Value of physical change in inventories	115.2	116.1	112.9	74.7	72.7
Non-farm	112.9	114.7	116.0	75.6	105.2
Farm and grain in commercial channels	257.7	135.4	92.8	71.0	-53.3
15. Gross Domestic Product	121.4 2.9	125.6 3.5	126.4 0.6	127.3 0.7	126.9 -0.4
16. Final Domestic Demand	118.1 3.2	121.3 2.7	122.3 0.8	123.5 1.0	123.7 0.2

Note: Percentage change from previous year is given on the second line.

Source: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

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Office of Economic Policy  
Ministry of Finance

# Ontario Economic Accounts

INCOME AND EXPENDITURE BASED

[2nd quarter - 1995]

September 1995

## ONTARIO REAL GDP DECLINES IN 1995:2

In the second quarter of 1995 (April-June), Ontario real GDP fell at a 4.4 per cent annualized rate, following a 2.0 per cent drop in the first quarter. The weak economic performance in the first half of 1995 reflects the lingering impact of the year-long upward spiral in interest rates in 1994, increased consumer caution stemming from poor labour market conditions and the marked slowdown in the U.S. economy.

In the domestic economy, a 3.7 per cent drop in after-tax income led households to cut back spending on consumer goods and housing. Government spending also fell in 1995:2, as did non-residential construction. These developments were partially offset by higher business outlays on machinery and equipment, and a second consecutive large inventory build up.

In the external trade sector, exports fell at a 16 per cent rate, as firms faced lower foreign demand due to a slowing U.S. economy. The weakness was particularly pronounced in the auto industry.

### Ontario Real GDP

% change, seasonally adjusted annual rate





Inflation remained moderate. The **GDP price deflator** rose at a 2.3 per cent annual rate in 1995:2, about the same pace registered in the previous quarter. Higher prices were recorded in most sectors of the economy, particularly for machinery and equipment and consumer spending. Both export and import prices fell in the quarter. The highlights of 1995:2 are presented in Table 1.

TABLE 1

## ONTARIO ECONOMIC ACCOUNTS SUMMARY, 1994:3 - 1995:2

(1986\$, Seasonally Adjusted Annual Rates)

	1994:3	1994:4	1994	1995:1	1995:2
<b>Highlights (\$1986 Billions)<sup>1</sup></b>					
Gross Domestic Product	240.8 (10.1)	246.1 (9.0)	238.4 (5.5)	244.8 (-2.0)	242.1 (-4.4)
Gross Domestic Product (Current \$)	305.6 (8.4)	310.0 (5.8)	302.5 (5.2)	310.3 (0.4)	308.5 (-2.2)
GDP Deflator (1986=100)	126.9 (-1.5)	126.0 (-2.9)	126.9 (-0.4)	126.7 (2.4)	127.5 (2.3)
Final Domestic Demand <sup>1</sup>	230.2 (2.8)	233.1 (5.3)	229.5 (3.3)	233.6 (0.8)	234.2 (1.0)
Final Demand <sup>2</sup>	239.1 (8.0)	245.1 (10.3)	237.1 (4.1)	240.2 (-7.6)	237.0 (-5.3)
<b>Composition of Growth<sup>3</sup></b> (\$ Millions)					
Total GDP Growth	5,719	5,235	12,521	-1,238	-2,764
● Consumer Spending	372	1,935	3,856	154	-295
● Business Machinery and Equipment	948	1,007	2,987	946	1,811
● Non-Residential Construction	321	234	-126	-136	-180
● Residential Construction	-183	-339	558	-554	-503
● Government Spending	102	145	33	50	-271
● Net Exports	3,021	2,967	2,054	-5,286	-3,806
● Inventories	1,395	-856	2,700	3,432	442

Source: Ontario Ministry of Finance and Statistics Canada

Note: Per cent change from previous period, at annual rates, is given in brackets.

1. Combined sum of consumer spending, government spending and business investment excluding inventory investment.

2. Final domestic demand plus net exports.

3. Does not sum to GDP growth, as the "statistical discrepancy" is not shown.

## SECOND QUARTER DETAILS

**R**eal consumer spending recorded its second straight sluggish quarter, falling 0.8 per cent at annual rates in 1995:2, following a slight 0.4 per cent advance in the previous quarter. The drop in spending reflected lower after-tax income and weak Ontario labour markets. Expenditures on consumer goods fell 3.2 per cent at annual rates, down from a 1.5 per cent gain in 1995:1. Spending on services rose 1.5 per cent, after falling 0.6 per cent in the first quarter.

- **Personal income** declined 1.0 per cent at annual rates in 1995:2, down from a moderate 2.4 per cent rise in the previous quarter. Wages, salaries and supplementary labour income, the largest component of personal income, fell a record 3.2 per cent, the result of a loss of 8,000 full-time jobs in the April-June period, combined with a 2.9 per cent annualized drop in average weekly earnings and lower hours worked. The loss of labour income was partially offset by a 10.6 per cent rise in interest and dividend investment income.
- **Personal disposable income** declined 3.7 per cent at annual rates in 1995:2, after rising 5.2 per cent in the previous quarter, in part due to a drop in the seasonally-adjusted level of personal income tax refunds. With disposable income falling and nominal spending rising, the Ontario savings rate declined from 9.5 to 8.1 per cent.

**THE CONSUMER SECTOR, 1994:3 - 1995:2**  
(1986 \$ Millions, Seasonally Adjusted Annual Rates)

**TABLE 2**

	1994:3	1994:4	1994	1995:1	1995:2
Consumer Spending	137,193 (1.1)	139,128 (5.8)	137,255 (2.9)	139,282 (0.4)	138,987 (-0.8)
- Goods	67,084 (0.7)	68,612 (9.4)	67,204 (4.2)	68,865 (1.5)	68,300 (-3.2)
- Services	70,109 (1.5)	70,516 (2.3)	70,051 (1.6)	70,417 (-0.6)	70,687 (1.5)
Personal Income (Current\$)	259,835 (6.0)	263,876 (6.4)	258,088 (2.2)	265,423 (2.4)	264,786 (-1.0)
Personal Disposable Income (Current\$)	198,692 (4.6)	201,746 (6.3)	197,833 (1.9)	204,319 (5.2)	202,396 (-3.7)
Personal Savings Rate (%)	9.2	9.2	8.9	9.5	8.1

Source: Ontario Ministry of Finance and Statistics Canada

Note: Per cent change from previous quarter, at annual rates, is given in brackets.

- The year-long slump in **residential construction** continued in 1995:2 as real activity fell 17.1 per cent at annualized rates, the result of a drop in starts that outweighed a rise in resale activity.
- Ontario housing starts fell at an annual rate of 20.5 per cent in 1995:2, after dropping 4.6 per cent in the previous quarter. However, home resales buoyed by the recent fall in mortgage rates rebounded at an annual rate of 27.7 per cent in the second quarter after falling by 23.9 per cent in the previous quarter.
- Real business **investment** in plant and equipment rose at an annual rate of 21.4 per cent in 1995:2, continuing a strong three-year expansion. Outlays on machinery and equipment rose 29.6 per cent, following a gain of 15.3 per cent in the previous quarter. Non-residential construction declined 11.8 per cent in the second quarter, its second straight drop.
- **Business Inventory** accumulation maintained its strong pace, up by \$5.5 billion in 1995:2, about the same as the \$5.1 billion rise in 1995:1. The rise in inventories was spread among manufacturers, wholesalers and retailers.
- **Corporation profits** before taxes fell at a 28.4 per cent annual rate in 1995:2, after a slight 3.1 per cent drop in the previous quarter. The reduction in profits follows eight straight quarterly advances. Profits dropped in the auto, chemical, metals and real estate sectors.

**THE BUSINESS SECTOR, 1994:3 - 1995:2**  
(1986 \$ Millions, Seasonally Adjusted Annual Rates)

**TABLE 3**

	1994:3	1994:4	1994	1995:1	1995:2
Residential Construction	11,903 (-5.9)	11,564 (-10.9)	11,810 (5.0)	11,011 (-17.8)	10,507 (-17.1)
Business Plant and Equipment	30,819 (18.3)	32,060 (17.1)	30,208 (10.5)	32,870 (10.5)	34,500 (21.4)
- Non-Residential Construction	5,742 (25.9)	5,976 (17.3)	5,590 (-2.2)	5,839 (-8.8)	5,659 (-11.8)
- Machinery & Equipment	25,077 (16.7)	26,084 (17.1)	24,618 (13.8)	27,031 (15.3)	28,841 (29.6)
Business and Farm Inventory Accumulation	2,497	1,641	1,873	5,073	5,514
Pre-Tax Corporate Profits (Current \$)	25,485 (3.7)	26,902 (24.2)	25,381 (36.9)	26,690 (-3.1)	24,551 (-28.4)

**Source:** Ontario Ministry of Finance and Statistics Canada

**Note:** Per cent change from previous quarter, at annual rates, is given in brackets.

**R**eal Ontario exports fell sharply in the second quarter, down 15.7 per cent at annual rates, after a slight 2.2 per cent gain the 1995:1. The slump in exports so far in 1995 follows a three-year upward trend and reflects the significant slowing in the U.S. economy. At the national level, lower auto exports accounted for 80 per cent of the decline in total exports, as auto sales in the U.S. fell almost 14 per cent in the quarter. Real imports fell by 8.6 per cent, after a 15.5 per cent rise in the previous quarter. With exports falling faster than imports, the real trade balance deteriorated sharply, from \$6.6 billion in 1995:1 to \$2.8 billion in 1995:2. In the fourth quarter of 1994, the real trade balance reached an eight-year high of \$11.9 billion.

- Exports of autos and parts, aircraft, office machinery and equipment and precious metals all fell in the second quarter. This was moderated by a rise in exports of food and industrial machinery.
  - Autos are Ontario's most important export, accounting for close to one-half of international merchandise exports, and over 10 per cent of interprovincial trade. About 90 per cent of total Canadian auto production occurs in Ontario, with most of the output destined for the U.S. market.
- Lower imports of autos accounted for most of the drop in total imports, with chemicals and metals also down.

#### THE EXTERNAL SECTOR, 1994:3 - 1995:2

(1986 \$ Millions, Seasonally Adjusted Annual Rates)

TABLE 4

	1994:3	1994:4	1994	1995:1	1995:2
Total Exports	168,150 (14.2)	183,925 (43.1)	167,271 (12.7)	184,938 (2.2)	177,186 (-15.7)
Total Imports	159,197 (6.4)	172,005 (36.3)	159,635 (11.8)	178,304 (15.5)	174,358 (-8.6)
Balance of Trade	8,953	11,920	7,636	6,635	2,828

**Source:** Ontario Ministry of Finance and Statistics Canada

**Note:** Per cent change from previous quarter, at annual rates, is given in brackets.

Total real government spending in Ontario by all levels of government (federal, provincial and local) declined 2.1 per cent in 1995:2, reflecting on-going spending restraint measures.

- Government **current spending** on goods and services, in constant dollars, fell at a 0.8 per cent annualized rate in 1995:2, after a flat first quarter.
- Real government **capital investment** declined at a 10.6 per cent annual rate in 1995:2, after increasing by 1.4 per cent in 1995:1.

**THE GOVERNMENT SECTOR, 1994:3 - 1995:2**  
(1986 \$ Millions, Seasonally Adjusted Annual Rates)

**TABLE 5**

	1994:3	1994:4	1994	1995:1	1995:2
Total Government Expenditure*	50,245 (0.8)	50,390 (1.2)	50,181 (0.1)	50,440 (0.4)	50,169 (-2.1)
- Current Expenditure	44,010 (-3.6)	43,543 (-4.2)	44,141 (-1.2)	43,568 (0.2)	43,486 (-0.8)
- Capital Investment	6,235 (40.7)	6,847 (45.5)	6,040 (10.4)	6,872 (1.4)	6,683 (-10.6)

**Source:** Ontario Ministry of Finance and Statistics Canada

**Note:** Per cent change from previous quarter, at annual rates, is given in brackets.

\* Includes federal, provincial and local levels

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The Ontario Economic Accounts is also available in French.

**NOTE: TOTALS MAY NOT ADD EXACTLY DUE TO ROUNDING.**

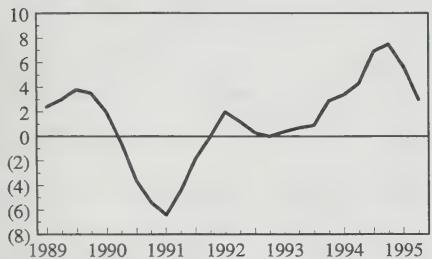
# Ontario Economic Accounts Summary

## (1989:1 - 1995:2)

### Gross Domestic Product

(1986 \$)

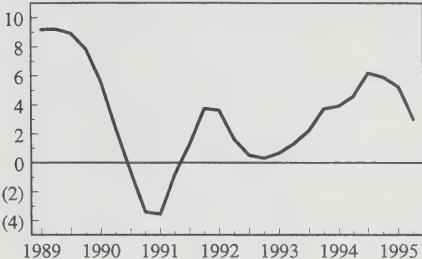
% change, year-over-year



### Gross Domestic Product

(Current \$)

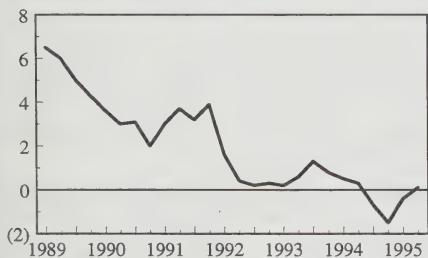
% change, year-over-year



### GDP Deflator

(1986 = 100)

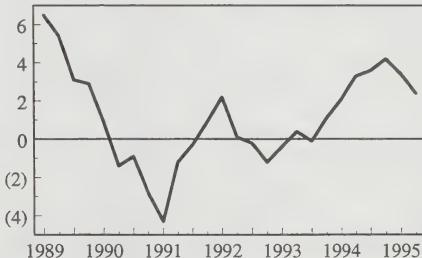
% change, year-over-year



### Final Domestic Demand

(1986 \$)

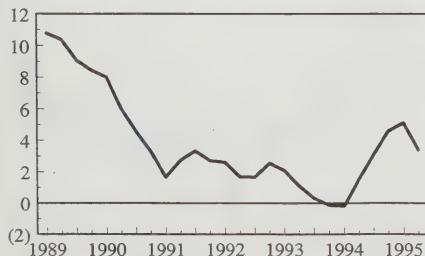
% change, year-over-year



### Personal Income

(Current \$)

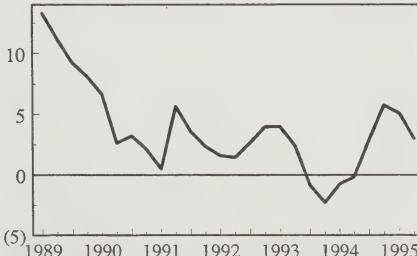
% change, year-over-year



### Personal Disposable Income

(Current \$)

% change, year-over-year



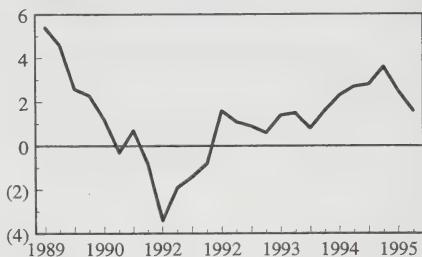
# Ontario Economic Accounts Summary

## (1989:1 - 1995:2)

### Consumer Spending

(1986 \$)

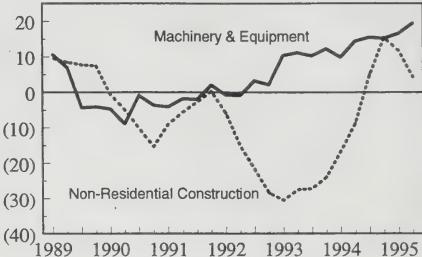
% change, year-over-year



### Business Plant & Equipment

(1986 \$)

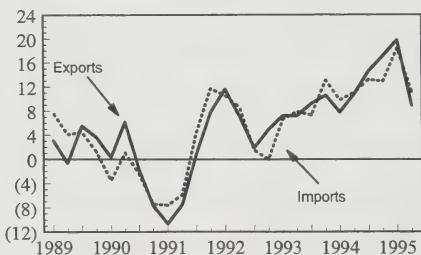
% change, year-over-year



### Trade

(1986 \$)

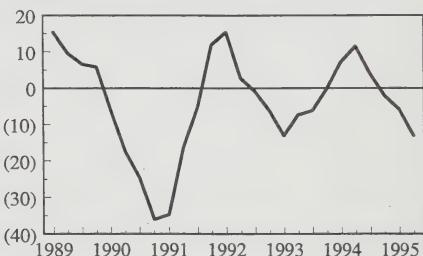
% change, year-over-year



### Residential Construction

(1986 \$)

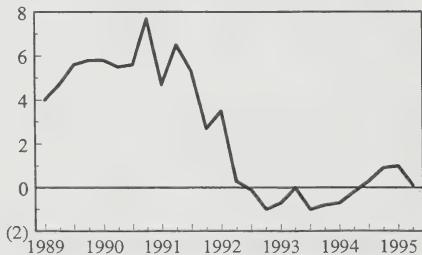
% change, year-over-year



### Government Spending

(1986 \$)

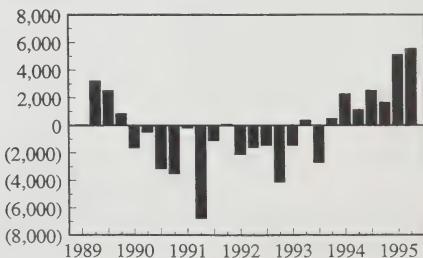
% change, year-over-year



### Change in Inventories

(1986 \$)

millions



**ONTARIO GROSS DOMESTIC PRODUCT, (INCOME BASED)***\$ millions, seasonally adjusted at annual rates)***TABLE 1**

	1994					1995				
	I	II	III	IV	YEAR	I	II	III	IV	YEAR
1. Wages, salaries, and supplementary labour income	165,392	167,644	169,871	172,678	168,896	172,738	171,336			
	0.4	5.6	5.4	6.8	2.6	0.1	-3.2			
2. Military Pay and allowances	1,414	1,411	1,346	1,319	1,373	1,306	1,319			
	3.6	-0.9	-17.3	-7.6	-3.0	-4.1	4.2			
3. Corporation profits before taxes	23,882	25,255	25,485	26,902	25,381	26,690	24,551			
	35.7	25.1	3.7	24.2	36.9	-3.1	-28.4			
4. Interest and miscellaneous investment income	14,581	15,885	16,601	16,166	15,808	17,094	16,246			
	19.1	40.8	19.3	-10.1	8.3	25.0	-18.4			
5. Accrued net income of farm operators from farm production	250	311	280	212	263	224	292			
	2053.4	140.5	-34.3	-67.3	94.5	25.3	186.9			
6. Net income of non-farm unincorporated business including rent	16,716	16,800	16,877	16,838	16,808	16,893	16,928			
	-4.5	2.0	1.9	-0.9	2.7	1.3	0.8			
7. Inventory valuation adjustment	-2,174	-2,941	-1,748	-2,132	-2,249	-3,498	-839			
8. Net Domestic Income at factor cost	220,061	224,365	228,712	231,983	226,280	231,447	229,833			
	2.2	8.1	8.0	5.8	5.4	-0.9	-2.8			
9. Indirect taxes less subsidies	39,793	39,902	41,069	41,865	40,657	42,314	42,603			
	5.0	1.1	12.2	8.0	5.4	4.4	2.8			
10. Capital consumption allowances and miscellaneous valuation adjustments	34,932	35,243	35,853	36,150	35,545	36,510	36,097			
	4.6	3.6	7.1	3.4	3.2	4.0	-4.4			
11. Gross Domestic Product at market prices	294,786	299,510	305,634	309,998	302,482	310,271	308,533			
	2.9	6.6	8.4	5.8	5.2	0.4	-2.2			

Note: Percentage change from previous quarter is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT, (EXPENDITURE BASED)**

(\$ millions, seasonally adjusted at annual rates)

**TABLE**

	1994					1995				
	I	II	III	IV	YEAR	I	II	III	IV	YEAR
1. Personal expenditure on consumer goods and services:	175,871	176,985	178,055	180,762	177,919	182,140	182,914			
	3.3	2.6	2.4	6.2	3.5	3.1	1.7			
2. Goods	82,221	82,417	82,917	84,804	83,090	85,668	85,648			
	3.9	1.0	2.4	9.4	3.4	4.1	-0.1			
3. Services	93,650	94,568	95,138	95,958	94,829	96,472	97,266			
	2.8	4.0	2.4	3.5	3.5	2.2	3.3			
4. Government expenditure on goods and services:	63,151	63,432	63,421	63,685	63,422	63,908	63,790			
	0.5	1.8	-0.1	1.7	0.2	1.4	-0.7			
5. Current expenditure	58,061	58,002	57,566	57,303	57,733	57,510	57,488			
	-1.1	-0.4	-3.0	-1.8	-0.5	1.5	-0.2			
6. Capital expenditure	5,090	5,430	5,855	6,382	5,689	6,398	6,302			
	20.5	29.6	35.2	41.2	8.2	1.0	-5.9			
7. Business gross fixed capital formation:	40,971	42,424	42,931	43,440	42,441	43,415	44,480			
	4.1	15.0	4.9	4.8	8.7	-0.2	10.2			
8. Residential construction	15,462	16,085	15,784	15,449	15,695	14,556	13,964			
	-1.0	17.1	-7.3	-8.2	6.8	-21.2	-15.3			
9. Non-residential construction	6,245	6,577	7,010	7,332	6,791	7,234	7,068			
	6.9	23.0	29.1	19.7	0.4	-5.2	-8.9			
10. Machinery and equipment	19,264	19,762	20,137	20,659	19,955	21,625	23,448			
	7.4	10.8	7.8	10.8	13.5	20.1	38.2			
11. Exports of goods and services	168,694	180,888	186,646	201,766	184,499	206,946	198,094			
	-4.9	32.2	13.4	36.6	14.9	10.7	-16.0			
12. DEDUCT: Imports of goods and services	155,121	164,731	166,838	179,229	166,480	190,250	185,517			
	-1.3	27.2	5.2	33.2	14.6	27.0	-9.6			
13. Value of physical change in inventories:	1,846	1,109	1,711	782	1,362	5,226	5,510			
14. Non-farm	1,934	1,221	1,936	1,174	1,566	5,348	5,342			
15. Farm and grain in commercial channels:	-88	-112	-225	-392	-204	-122	168			
16. Statistical Discrepancy	-626	-596	-292	-1,208	-681	-1,114	-738			
17. Gross Domestic Product at market prices	294,786	299,510	305,634	309,998	302,482	310,271	308,533			
	2.9	6.6	8.4	5.8	5.2	0.4	-2.2			
18. Gross Domestic Product in constant (1986) dollars	231,660	235,111	240,831	246,065	238,417	244,827	242,063			
	5.1	6.1	10.1	9.0	5.5	-2.0	-4.4			

Note: Percentage change from previous quarter is given at annual rate on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT AT 1986 PRICES**

(millions, seasonally adjusted at annual rates)

**TABLE 3**

	1994				1995				
	I	II	III	IV	YEAR	I	II	III	IV
Personal expenditure on consumer goods and services	135,879	136,821	137,193	139,128	137,255	139,282	138,987		
	4.9	2.8	1.1	5.8	2.9	0.4	-0.8		
Goods	66,148	66,973	67,084	68,612	67,204	68,865	68,300		
	8.6	5.1	0.7	9.4	4.2	1.5	-3.2		
Services	69,731	69,848	70,109	70,516	70,051	70,417	70,687		
	1.5	0.7	1.5	2.3	1.6	-0.6	1.5		
Government expenditure on goods and services:	49,945	50,143	50,245	50,390	50,181	50,440	50,169		
	0.2	1.6	0.8	1.2	0.1	> 0.4	-2.1		
Current expenditure	44,593	44,418	44,010	43,543	44,141	43,568	43,486		
	-2.3	-1.6	-3.6	-4.2	-1.2	0.2	-0.8		
Capital expenditure	5,352	5,725	6,235	6,847	6,040	6,872	6,683		
	23.7	30.9	40.7	45.5	10.4	1.4	-10.6		
Business gross fixed capital formation:	40,091	41,637	42,722	43,624	42,018	43,880	45,007		
	4.8	16.3	10.8	8.7	8.9	2.4	10.7		
Residential construction	11,687	12,087	11,903	11,564	11,810	11,011	10,507		
	-4.2	14.4	-5.9	-10.9	5.0	-17.8	-17.1		
Non-residential construction	5,222	5,421	5,742	5,976	5,590	5,839	5,659		
	3.8	16.1	25.9	17.3	-2.2	-8.8	-11.8		
Machinery and equipment	23,182	24,129	25,077	26,084	24,618	27,031	28,841		
	10.0	17.4	16.7	17.1	13.8	15.3	29.6		
Exports of goods and services	154,340	162,669	168,150	183,925	167,271	184,938	177,186		
	-6.7	23.4	14.2	43.1	12.7	2.2	-15.7		
DEDUCT: Imports of goods and services	150,603	156,737	159,197	172,005	159,635	178,304	174,358		
	-4.4	17.3	6.4	36.3	11.8	15.5	-8.6		
Value of physical change in inventories:	2,253	1,101	2,497	1,641	1,873	5,073	5,514		
Non-farm	1,285	1,349	2,000	1,324	1,490	5,123	5,300		
Farm and grain in commercial channels	967	-248	497	317	383	-50	215		
Statistical Discrepancy	-245	-523	-779	-638	-546	-482	-442		
Gross Domestic Product	231,660	235,111	240,831	246,065	238,417	244,827	242,063		
	5.1	6.1	10.1	9.0	5.5	-2.0	-4.4		
Final Domestic Demand	225,915	228,601	230,161	233,142	229,455	233,602	234,163		
	3.8	4.8	2.8	5.3	3.3	0.8	1.0		

Notes: Percentage change from previous quarter is given at annual rate on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**SOURCES AND DISPOSITION OF ONTARIO PERSONAL INCOME**

(\$ millions, seasonally adjusted at annual rates)

TABLE

	1994					YEAR	1995				
	I	II	III	IV			I	II	III	IV	YR
1. Wages, salaries, and supplementary labour income	162,792 0.3	164,925 5.3	167,037 5.2	169,723 6.6		166,119 2.6	169,782 0.1	168,404 -3.2			
2. Add: Military pay and allowances	1,414 3.6	1,411 -0.9	1,346 -17.3	1,319 -7.6		1,373 -3.0	1,306 -4.1	1,319 4.2			
3. Net income of farm operators from farm production	141 199.0	208 367.9	354 740.0	470 209.2		293 29.9	524 54.9	652 139.7			
4. Net income of non-farm unincorporated business including rent	16,716 -4.5	16,800 2.0	16,877 1.9	16,838 -0.9		16,808 2.7	16,893 1.3	16,928 0.8			
5. Interest, dividends, and miscellaneous investment income	30,871 1.5	31,747 11.8	32,939 15.9	33,758 10.3		32,329 1.8	35,097 16.8	35,991 10.6			
6. Current transfers from government, corporations and non-residents	40,606 1.5	41,008 4.0	41,282 2.7	41,768 4.8		41,166 1.1	41,821 0.5	41,492 -3.1			
7. Equals: Personal income	252,540 0.4	256,099 5.8	259,835 6.0	263,876 6.4		258,088 2.2	265,423 2.4	264,786 -1.0			
8. Deduct: Personal direct taxes	57,154 -19.5	58,570 10.3	60,028 10.3	60,959 6.3		59,178 3.8	59,884 -6.9	61,174 8.9			
9. Other current transfers to government	972 -57.9	1,050 36.6	1,115 26.8	1,171 21.9		1,077 -13.9	1,220 17.7	1,216 -1.3			
10. Equals: Personal disposable income	194,414 7.8	196,479 4.3	198,692 4.6	201,746 6.3		197,833 1.9	204,319 5.2	202,396 -3.7			
11. Deduct: Personal expenditure on consumer goods and services	175,871 3.3	176,985 2.6	178,055 2.4	180,762 6.2		177,919 3.5	182,140 3.1	182,914 1.7			
12. Current transfers to corporations	1,695 -33.4	1,691 -0.8	2,030 107.7	1,998 -6.1		1,854 -5.9	2,260 63.6	2,594 73.6			
13. Current transfers to non-residents	386 24.4	389 2.6	395 6.4	398 2.6		392 6.5	415 18.4	415 0.3			
14. Equals: Personal saving	16,462 87.0	17,414 25.2	18,212 19.7	18,588 8.5		17,669 -11.0	19,504 21.2	16,473 -49.1			
15. Personal savings rate	8.5	8.9	9.2	9.2		8.9	9.5	8.1			

Note: Percentage change from previous quarter is given at annual rate on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO TRADE**

(\$ millions, seasonally adjusted at annual rates)

TABLE 5

	1994				1995				
	I	II	III	IV	YEAR	I	II	III	IV
1. Exports of Goods and Services	168,694	180,888	186,646	201,766	184,489	206,946	198,094		
	-4.9	32.2	13.4	36.6	14.9	10.7	-16.0		
2. Of Which: International	108,046	118,954	123,690	137,576	122,867	142,440	134,748		
	-5.1	46.9	16.9	53.0	21.1	14.9	-19.9		
3. Goods	94,282	104,418	109,104	122,174	107,495	126,684	119,488		
	-6.5	50.4	19.2	57.2	22.3	15.6	-20.9		
4. Services	13,764	14,536	14,586	15,402	14,572	15,756	15,260		
	4.5	24.4	1.4	24.3	13.0	9.5	-12.0		
5. Of Which: Interprovincial Goods and Services	60,648	61,934	62,956	64,190	62,432	64,506	63,346		
	-4.6	8.8	6.8	8.1	4.5	2.0	-7.0		
6. Imports of Goods and Services	155,121	164,731	166,838	179,229	166,480	190,250	185,517		
	-1.3	27.2	5.2	33.2	14.6	27.0	-9.6		
7. Trade Balance	13,573	16,157	19,808	22,537	18,019	16,696	12,577		

Note: Percentage change from previous quarter is given at annual rate on the second line.

Source: Office of Economic Policy, Ontario Ministry of Finance

**RELATIONSHIP BETWEEN ONTARIO GROSS DOMESTIC PRODUCT  
AND ONTARIO GROSS PROVINCIAL PRODUCT**  
(\$ millions, seasonally adjusted at annual rates)

TABLE 6

	1994				1995			
	I	II	III	IV	YEAR	I	II	III
1. Gross Domestic Product at market prices	294,786	299,510	305,634	309,998	302,482	310,271	308,533	
	2.9	6.6	8.4	5.8	5.2	0.4	-2.2	
2. Less: Investment income paid to non-residents	14,653	16,231	15,204	15,014	15,276	16,305	15,399	
	2.2	50.5	-23.0	-4.9	8.7	39.1	-20.4	
3. Plus: Investment income received from non-residents	6,074	7,011	6,965	7,899	6,987	8,016	8,008	
	-27.0	77.5	-2.6	65.4	7.0	6.0	-0.4	
4. Equals: Gross Provincial Product at market prices	286,207	290,290	297,395	302,883	294,194	301,981	301,142	
	2.1	5.8	10.2	7.6	5.0	-1.2	-1.1	

Note: Percentage change from previous quarter is given at annual rate on the second line.

Source: Office of Economic Policy, Ontario Ministry of Finance

**ONTARIO DEFLATORS**  
(1986 = 100)

**TABLE 7**

	1994					1995				
	I	II	III	IV	YEAR	I	II	III	IV	YEAR
1. Personal expenditure on consumer goods and services	129.4 -1.6	129.4 -0.2	129.8 1.3	129.9 0.4	129.6 0.5	130.8 2.6	131.6 2.6			
2. Goods	124.3 -4.4	123.1 -3.9	123.6 1.8	123.6 0.0	123.6 -0.8	124.4 2.6	125.4 3.3			
3. Services	134.3 1.2	135.4 3.3	135.7 0.9	136.1 1.1	135.4 1.9	137.0 2.7	137.6 1.8			
4. Government expenditure on goods and services:	126.4 0.3	126.5 0.2	126.2 -0.9	126.4 0.5	126.4 0.1	126.7 1.0	127.2 1.4			
5. Current expenditure	130.2 1.2	130.6 1.2	130.8 0.7	131.6 2.5	130.8 0.7	132.0 1.2	132.2 0.6			
6. Capital expenditure	95.1 -2.5	94.9 -1.0	93.9 -3.9	93.2 -2.9	94.3 -1.9	93.1 -0.4	94.3 5.3			
7. Business gross fixed capital formation:	102.2 -0.7	101.9 -1.2	100.5 -5.4	99.6 -3.6	101.0 -0.1	98.9 -2.5	98.8 -0.5			
8. Residential construction	132.3 3.4	133.1 2.4	132.6 -1.4	133.6 3.1	132.9 1.8	132.2 -4.1	132.9 2.1			
9. Non-residential construction	119.6 3.1	121.3 5.9	122.1 2.6	122.7 2.0	121.4 2.6	123.9 4.0	124.9 3.3			
10. Machinery and equipment	83.1 -2.4	81.9 -5.7	80.3 -7.6	79.2 -5.4	81.1 -0.2	80.0 4.1	81.3 6.7			
11. Exports of goods and services	109.3 1.9	111.2 7.1	111.0 -0.7	109.7 -4.6	110.3 2.0	111.9 8.3	111.8 -0.4			
12. DEDUCT: Imports of goods and services	103.0 3.2	105.1 8.4	104.8 -1.1	104.2 -2.3	104.3 2.5	106.7 9.9	106.4 -1.1			
13. Value of physical change in inventories:	81.9	100.7	68.5	47.7	72.7	102.9	99.9			
14. Non-farm	150.5	90.5	96.8	88.7	105.2	104.4	100.8			
15. Farm and grain in commercial channels	-9.1	45.2	-45.3	-123.6	-53.3	242.6	78.2			
16. Gross Domestic Product	127.2 -2.1	127.4 0.4	126.9 -1.5	126.0 -2.9	126.9 -0.4	126.7 2.4	127.5 2.3			
17. Final Domestic Demand	123.9 -1.0	123.7 -0.7	123.6 -0.5	123.5 -0.3	123.7 0.2	123.9 1.4	124.4 1.4			

Note: Percentage change from previous quarter is given at annual rate on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT, (INCOME BASED)**  
(\$ millions)

**TABLE 8**

	1990	1991	1992	1993	1994
<b>1. Wages, salaries, and supplementary labour income</b>	<b>157,763</b> 3.3	<b>160,755</b> 1.9	<b>163,477</b> 1.7	<b>164,635</b> 0.7	<b>168,896</b> 2.6
<b>2. Military pay and allowances</b>	<b>1,278</b> 7.4	<b>1,338</b> 4.7	<b>1,419</b> 6.0	<b>1,415</b> -0.2	<b>1,373</b> -3.0
<b>3. Corporation profits before taxes</b>	<b>19,745</b> -28.3	<b>16,092</b> -18.5	<b>16,129</b> 0.2	<b>18,538</b> 14.9	<b>25,381</b> 36.9
<b>4. Interest and miscellaneous investment income</b>	<b>16,766</b> 8.9	<b>15,412</b> -8.1	<b>16,023</b> 4.0	<b>14,591</b> -8.9	<b>15,808</b> 8.3
<b>5. Accrued net income of farm operators from farm production</b>	<b>352</b> 142.8	<b>229</b> -34.9	<b>221</b> -3.6	<b>135</b> -38.7	<b>263</b> 94.5
<b>6. Net income of non-farm unincorporated business including rent</b>	<b>14,472</b> -0.5	<b>14,873</b> 2.8	<b>15,268</b> 2.7	<b>16,373</b> 7.2	<b>16,808</b> 2.7
<b>7. Inventory valuation adjustment</b>	<b>-19</b>	<b>874</b>	<b>-1,093</b>	<b>-1,046</b>	<b>-2,249</b>
<b>8. Net Domestic Income at factor cost</b>	<b>210,357</b> -0.3	<b>209,573</b> -0.4	<b>211,444</b> 0.9	<b>214,641</b> 1.5	<b>226,280</b> 5.4
<b>9. Indirect taxes less subsidies</b>	<b>36,597</b> -1.2	<b>35,999</b> -1.6	<b>37,242</b> 3.5	<b>38,578</b> 3.6	<b>40,657</b> 5.4
<b>10. Capital consumption allowances and miscellaneous valuation adjustments</b>	<b>30,500</b> 13.5	<b>32,279</b> 5.8	<b>33,354</b> 3.3	<b>34,432</b> 3.2	<b>35,545</b> 3.2
<b>11. Gross Domestic Product at market prices</b>	<b>277,454</b> 1.0	<b>277,851</b> 0.1	<b>282,040</b> 1.5	<b>287,651</b> 2.0	<b>302,482</b> 5.2

**Note:** Percentage change from previous year is given on the second line.

**Sources:** Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT, (EXPENDITURE BASED)**

(\$ millions)

**TABLE 9**

	<b>1990</b>	<b>1991</b>	<b>1992</b>	<b>1993</b>	<b>1994</b>
<b>1. Personal expenditure on consumer goods and services:</b>	<b>158,584</b>	<b>162,526</b>	<b>166,445</b>	<b>171,977</b>	<b>177,919</b>
	4.4	2.5	2.4	3.3	3.5
<b>2. Goods</b>	<b>77,486</b>	<b>77,446</b>	<b>78,197</b>	<b>80,379</b>	<b>83,090</b>
	1.0	-0.1	1.0	2.8	3.4
<b>3. Services</b>	<b>81,098</b>	<b>85,080</b>	<b>88,248</b>	<b>91,598</b>	<b>94,829</b>
	7.9	4.9	3.7	3.8	3.5
<b>4. Government expenditure on goods and services:</b>	<b>56,843</b>	<b>61,490</b>	<b>63,351</b>	<b>63,308</b>	<b>63,422</b>
	11.2	8.2	3.0	-0.1	0.2
<b>5. Current expenditure</b>	<b>50,958</b>	<b>55,332</b>	<b>57,284</b>	<b>58,049</b>	<b>57,733</b>
	10.5	8.6	3.5	1.3	-0.5
<b>6. Capital expenditure</b>	<b>5,885</b>	<b>6,158</b>	<b>6,067</b>	<b>5,259</b>	<b>5,689</b>
	18.0	4.6	-1.5	-13.3	8.2
<b>7. Business gross fixed capital formation:</b>	<b>48,928</b>	<b>44,237</b>	<b>41,083</b>	<b>39,041</b>	<b>42,441</b>
	-12.8	-9.6	-7.1	-5.0	8.7
<b>8. Residential construction</b>	<b>18,013</b>	<b>15,739</b>	<b>15,749</b>	<b>14,694</b>	<b>15,695</b>
	-22.8	-12.6	0.1	-6.7	6.8
<b>9. Non-residential construction</b>	<b>12,273</b>	<b>11,342</b>	<b>9,205</b>	<b>6,762</b>	<b>6,791</b>
	-5.8	-7.6	-18.8	-26.5	0.4
<b>10. Machinery and equipment</b>	<b>18,642</b>	<b>17,156</b>	<b>16,129</b>	<b>17,585</b>	<b>19,955</b>
	-5.5	-8.0	-6.0	9.0	13.5
<b>11. Exports of goods and services</b>	<b>140,709</b>	<b>135,157</b>	<b>144,415</b>	<b>160,531</b>	<b>184,499</b>
	-0.2	-3.9	6.8	11.2	14.9
<b>12. DEDUCT: Imports of goods and services</b>	<b>124,155</b>	<b>121,441</b>	<b>128,848</b>	<b>145,280</b>	<b>166,480</b>
	-2.3	-2.2	6.1	12.8	14.6
<b>13. Value of physical change in inventories:</b>	<b>-2,494</b>	<b>-2,305</b>	<b>-2,597</b>	<b>-618</b>	<b>1,362</b>
<b>14. Non-farm</b>	<b>-2,409</b>	<b>-2,206</b>	<b>-2,313</b>	<b>-516</b>	<b>1,566</b>
<b>15. Farm and grain in commercial channels</b>	<b>-86</b>	<b>-99</b>	<b>-284</b>	<b>-102</b>	<b>-204</b>
<b>16. Statistical Discrepancy</b>	<b>-960</b>	<b>-1,813</b>	<b>-1,808</b>	<b>-1,308</b>	<b>-681</b>
<b>17. Gross Domestic Product at market prices</b>	<b>277,454</b>	<b>277,851</b>	<b>282,040</b>	<b>287,651</b>	<b>302,482</b>
	1.0	0.1	1.5	2.0	5.2
<b>18. Gross Domestic Product in constant (1986) dollars</b>	<b>228,501</b>	<b>221,165</b>	<b>223,083</b>	<b>225,895</b>	<b>238,417</b>
	-1.9	-3.2	0.9	1.3	5.5

Note: Percentage change from previous year is given on the second line.

Source: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT AT 1986 PRICES**  
(\$ millions)

**TABLE 10**

	1990	1991	1992	1993	1994
1. Personal expenditure on consumer goods and services:	132,774 0.2	130,269 -1.9	131,656 1.1	133,399 1.3	137,255 2.9
2. Goods	65,622 -2.8	63,143 -3.8	63,634 0.8	64,478 1.3	67,204 4.2
3. Services	67,152 3.3	67,126 0.0	68,022 1.3	68,921 1.3	70,051 1.6
4. Government expenditure on goods and services:	47,855 6.1	50,147 4.8	50,470 0.6	50,148 -0.6	50,181 0.1
5. Current expenditure	42,435 4.8	44,151 4.0	44,277 0.3	44,676 0.9	44,141 -1.2
6. Capital expenditure	5,420 18.3	5,996 10.6	6,193 3.3	5,472 -11.6	6,040 10.4
7. Business gross fixed capital formation:	43,246 -11.2	40,670 -6.0	39,434 -3.0	38,600 -2.1	42,018 8.9
8. Residential construction	13,637 -21.1	11,800 -13.5	12,075 2.3	11,253 -6.8	11,810 5.0
9. Non-residential construction	10,031 -7.8	9,587 -4.4	7,885 -17.8	5,716 -27.5	5,590 -2.2
10. Machinery and equipment	19,578 -4.6	19,283 -1.5	19,474 1.0	21,631 11.1	24,618 13.8
11. Exports of goods and services	132,124 -0.8	128,640 -2.6	136,665 6.2	148,414 8.6	167,271 12.7
12. DEDUCT: Imports of goods and services	124,560 -3.1	125,112 0.4	131,310 5.0	142,833 8.8	159,635 11.8
13. Value of physical change in inventories	-2,166	-1,990	-2,300	-827	1,873
14. Non-farm	-2,133	-1,923	-1,994	-684	1,490
15. Farm and grain in commercial channels	-33	-67	-306	-143	383
16. Statistical Discrepancy	-772	-1,459	-1,532	-1,006	-546
17. Gross Domestic Product	228,501 -1.9	221,165 -3.2	223,083 0.9	225,895 1.3	238,417 5.5
18. Final Domestic Demand (1986) dollars	223,875 -1.1	221,087 -1.2	221,560 0.2	222,146 0.3	229,455 3.3

Notes: Percentage change from previous year is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**SOURCES AND DISPOSITION OF ONTARIO PERSONAL INCOME**

(\$ millions)

**TABLE 11**

	<b>1990</b>	<b>1991</b>	<b>1992</b>	<b>1993</b>	<b>1994</b>
<b>1. Wages, salaries, and supplementary labour income</b>	<b>155,163</b> 2.6	<b>158,111</b> 1.9	<b>160,788</b> 1.7	<b>161,927</b> 0.7	<b>166,119</b> 2.6
<b>2. Add: Military pay and allowances</b>	<b>1,278</b> 7.4	<b>1,338</b> 4.7	<b>1,419</b> 6.0	<b>1,415</b> -0.2	<b>1,373</b> -3.0
<b>3. Net income of farm operators from farm production</b>	<b>315</b> 29.9	<b>92</b> -70.8	<b>261</b> 183.9	<b>226</b> -13.5	<b>293</b> 29.9
<b>4. Net income of non-farm unincorporated business including rent</b>	<b>14,472</b> -0.5	<b>14,873</b> 2.8	<b>15,268</b> 2.7	<b>16,373</b> 7.2	<b>16,808</b> 2.7
<b>5. Interest, dividends, and miscellaneous investment income</b>	<b>37,840</b> 13.3	<b>35,300</b> -6.7	<b>33,429</b> -5.3	<b>31,757</b> -5.0	<b>32,329</b> 1.8
<b>6. Current transfers from government, corporations and non-residents</b>	<b>29,969</b> 14.5	<b>35,423</b> 18.2	<b>39,167</b> 10.6	<b>40,736</b> 4.0	<b>41,166</b> 1.1
<b>7. Equals: Personal income</b>	<b>239,036</b> 5.4	<b>245,137</b> 2.6	<b>250,332</b> 2.1	<b>252,434</b> 0.8	<b>258,088</b> 2.2
<b>8. Deduct: Personal direct taxes</b>	<b>55,370</b> 15.9	<b>56,111</b> 1.3	<b>56,727</b> 1.1	<b>57,011</b> 0.5	<b>59,178</b> 3.8
<b>9. Other current transfers to government</b>	<b>917</b> -65.0	<b>924</b> 0.8	<b>952</b> 3.0	<b>1,251</b> 31.4	<b>1,077</b> -13.9
<b>10. Equals: Personal disposable income</b>	<b>182,749</b> 3.7	<b>188,102</b> 2.9	<b>192,653</b> 2.4	<b>194,172</b> 0.8	<b>197,833</b> 1.9
<b>11. Deduct: Personal expenditure on consumer goods and services</b>	<b>158,584</b> 4.4	<b>162,526</b> 2.5	<b>166,445</b> 2.4	<b>171,977</b> 3.3	<b>177,918</b> 3.5
<b>12. Current transfers to corporations</b>	<b>3,885</b> 9.2	<b>3,347</b> -13.9	<b>2,470</b> -26.2	<b>1,971</b> -20.2	<b>1,854</b> -5.9
<b>13. Current transfers to non-residents</b>	<b>274</b> -4.5	<b>289</b> 5.6	<b>351</b> 21.3	<b>368</b> 5.0	<b>392</b> 6.5
<b>14. Equals: Personal saving</b>	<b>20,006</b> -3.0	<b>21,940</b> 9.7	<b>23,387</b> 6.6	<b>19,856</b> -15.1	<b>17,669</b> -11.0
<b>15. Personal savings rate</b>	<b>10.9</b>	<b>11.7</b>	<b>12.1</b>	<b>10.2</b>	<b>8.9</b>

Note: Percentage change from previous year is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO TRADE**  
*(*\$ millions*)*

**TABLE 12**

	1990	1991	1992	1993	1994
<b>1. Exports of Goods and Services</b>	<b>140,709</b>	<b>135,157</b>	<b>144,415</b>	<b>160,531</b>	<b>184,499</b>
	-0.2	-3.9	6.8	11.2	14.9
<b>2. Of Which: International</b>	<b>79,666</b>	<b>77,661</b>	<b>87,626</b>	<b>100,796</b>	<b>122,067</b>
	3.1	-2.5	12.8	15.0	21.1
<b>3. Goods</b>	<b>68,973</b>	<b>66,424</b>	<b>75,859</b>	<b>87,895</b>	<b>107,495</b>
	2.8	-3.7	14.2	15.9	22.3
<b>4. Services</b>	<b>10,693</b>	<b>11,237</b>	<b>11,767</b>	<b>12,901</b>	<b>14,572</b>
	5.4	5.1	4.7	9.6	13.0
<b>5. Of Which: Interprovincial Goods and Services</b>	<b>61,043</b>	<b>57,496</b>	<b>56,789</b>	<b>59,735</b>	<b>62,432</b>
	-4.3	-5.8	-1.2	5.2	4.5
<b>6. Imports of Goods and Services</b>	<b>124,155</b>	<b>121,441</b>	<b>128,848</b>	<b>145,280</b>	<b>166,480</b>
	-2.3	-2.2	6.1	12.8	14.6
<b>7. Trade Balance</b>	<b>16,554</b>	<b>13,716</b>	<b>15,567</b>	<b>15,251</b>	<b>18,019</b>

Note: Percentage change from previous year is given on the second line.

Source: Office of Economic Policy, Ontario Ministry of Finance

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**RELATIONSHIP BETWEEN ONTARIO GROSS DOMESTIC PRODUCT  
AND ONTARIO GROSS PROVINCIAL PRODUCT**

(\$ millions)

**TABLE 13**

	<b>1990</b>	<b>1991</b>	<b>1992</b>	<b>1993</b>	<b>1994</b>
<b>1. Gross Domestic Product at market prices</b>	<b>277,454</b> 1.0	<b>277,851</b> 0.1	<b>282,040</b> 1.5	<b>287,651</b> 2.0	<b>302,482</b> 5.2
<b>2. Less: Investment income paid to non-residents</b>	<b>14,118</b> 5.7	<b>13,381</b> -5.2	<b>13,752</b> 2.8	<b>14,050</b> 2.2	<b>15,276</b> 8.7
<b>3. Plus: Investment income received from non-residents</b>	<b>6,674</b> 1.3	<b>6,439</b> -3.5	<b>5,912</b> -8.2	<b>6,527</b> 10.4	<b>6,987</b> 7.0
<b>4. Equals: Gross Provincial Product at market prices</b>	<b>270,009</b> 0.7	<b>270,909</b> 0.3	<b>274,200</b> 1.2	<b>280,128</b> 2.2	<b>294,194</b> 5.0

Note: Percentage change from previous year is given on the second line.

Source: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO DEFLATATORS**

(1986 = 100)

**TABLE 14**

	1990	1991	1992	1993	1994
<b>1. Personal expenditure on consumer goods and services:</b>	<b>119.5</b>	<b>124.8</b>	<b>126.4</b>	<b>128.9</b>	<b>129.6</b>
	4.3	4.4	1.3	2.0	0.5
<b>2. Goods</b>	<b>118.1</b>	<b>122.6</b>	<b>122.9</b>	<b>124.7</b>	<b>123.6</b>
	3.9	3.9	0.2	1.4	-0.8
<b>3. Services</b>	<b>120.8</b>	<b>126.7</b>	<b>129.7</b>	<b>132.9</b>	<b>135.4</b>
	4.5	5.0	2.4	2.4	1.9
<b>4. Government expenditure on goods and services:</b>	<b>118.8</b>	<b>122.6</b>	<b>125.5</b>	<b>126.2</b>	<b>126.4</b>
	4.8	3.2	2.4	0.6	0.1
<b>5. Current expenditure</b>	<b>120.1</b>	<b>125.3</b>	<b>129.4</b>	<b>129.9</b>	<b>130.8</b>
	5.5	4.4	3.3	0.4	0.7
<b>6. Capital expenditure</b>	<b>108.7</b>	<b>102.7</b>	<b>98.0</b>	<b>96.1</b>	<b>94.3</b>
	-0.1	-5.5	-4.6	-1.9	-1.9
<b>7. Business gross fixed capital formation:</b>	<b>113.0</b>	<b>108.8</b>	<b>104.2</b>	<b>101.1</b>	<b>101.0</b>
	-1.9	-3.8	-4.2	-2.9	-0.1
<b>8. Residential construction</b>	<b>131.9</b>	<b>133.5</b>	<b>130.4</b>	<b>130.6</b>	<b>132.9</b>
	-2.4	1.2	-2.3	0.1	1.8
<b>9. Non-residential construction</b>	<b>122.4</b>	<b>118.3</b>	<b>116.8</b>	<b>118.3</b>	<b>121.4</b>
	2.3	-3.3	-1.3	1.3	2.6
<b>10. Machinery and equipment</b>	<b>95.2</b>	<b>89.0</b>	<b>82.9</b>	<b>81.3</b>	<b>81.1</b>
	-1.0	-6.5	-6.9	-2.0	-0.2
<b>11. Exports of goods and services</b>	<b>106.6</b>	<b>105.1</b>	<b>105.7</b>	<b>108.2</b>	<b>110.3</b>
	0.6	-1.3	0.5	2.4	2.0
<b>12. DEDUCT: Imports of goods and services</b>	<b>99.6</b>	<b>97.2</b>	<b>98.1</b>	<b>101.7</b>	<b>104.3</b>
	0.8	-2.5	1.0	3.7	2.5
<b>13. Value of physical change in inventories</b>	<b>115.2</b>	<b>116.1</b>	<b>112.9</b>	<b>74.7</b>	<b>72.7</b>
<b>14. Non-farm</b>	<b>112.9</b>	<b>114.7</b>	<b>116.0</b>	<b>75.6</b>	<b>105.2</b>
<b>15. Farm and grain in commercial channels</b>	<b>257.7</b>	<b>135.4</b>	<b>92.8</b>	<b>71.0</b>	<b>-53.3</b>
<b>16. Gross Domestic Product</b>	<b>121.4</b>	<b>125.6</b>	<b>126.4</b>	<b>127.3</b>	<b>126.9</b>
	2.9	3.5	0.6	0.7	-0.4
<b>17. Final Domestic Demand</b>	<b>118.1</b>	<b>121.3</b>	<b>122.3</b>	<b>123.5</b>	<b>123.7</b>
	3.2	2.7	0.8	1.0	0.2

Note: Percentage change from previous quarter is given at annual rate on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

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Office of Economic Policy  
Ministry of Finance



# Ontario Economic Accounts

INCOME AND EXPENDITURE BASED

[3rd quarter - 1995]

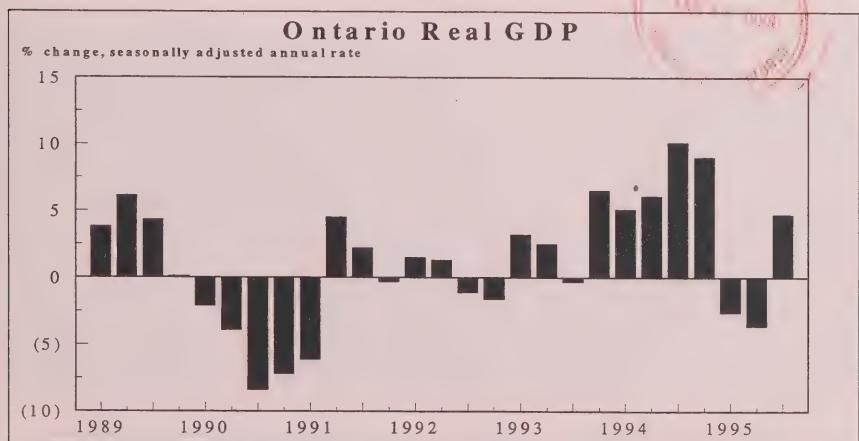
January 1996

## ONTARIO REAL GDP REBOUNDS IN 1995:3

In the third quarter of 1995 (July-September), Ontario real GDP rose at a 4.7 per cent annualized rate, following revised declines of 3.6 per cent in the second quarter and 2.6 per cent in 1995:1. The rebound in economic activity in the third quarter was largely due to stronger exports, reflecting increased demand in the U.S., combined with higher Ontario consumer spending.

In the domestic economy, a 3 per cent rise in after-tax income contributed to the first significant increase in household outlays on goods and services in the year. Business investment in machinery and equipment continued its strong pattern of growth, offsetting lower government spending, reduced residential and non-residential construction activity and a slowdown in the pace of inventory stockpiling.

In the external trade sector, exports rebounded by almost 10 per cent. The gain was driven by a robust U.S. economy, which recorded growth of 4.2 per cent in 1995:3. Export demand was particularly strong for auto parts and machinery and equipment. Imports were flat, resulting in a sharp improvement in the overall trade balance.



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The document is also available on the Internet at <http://www.gov.on.ca/fin/engdoc.html>

**O**n an industry basis, growth was led by the manufacturing sector, which accounted for close to half of the gain in output. Retail and wholesale trade also contributed to growth in the third quarter, as did utilities. Most other service industries expanded activity, with the exception of the government sector.

Inflation remained moderate. The change in the **GDP price deflator** eased to a 1.6 per cent annual rate in 1995:3, down slightly from about two per cent registered in the previous two quarters. Prices for consumer services, housing and non-residential construction rose. Prices for machinery and equipment, exports and imports declined. The highlights of 1995:3 are presented in Table 1.

### ONTARIO ECONOMIC ACCOUNTS SUMMARY, 1994:4 - 1995:3 (1986\$, Seasonally Adjusted Annual Rates)

TABLE 1

	1994:4	1994	1995:1	1995:2	1995:3
<b>Highlights (\$1986 Billions)</b>					
Gross Domestic Product	246.1 (9.0)	238.4 (5.5)	244.5 (-2.6)	242.3 (-3.6)	245.0 (4.7)
Gross Domestic Product (Current \$)	310.0 (5.8)	302.5 (5.2)	309.7 (-0.4)	308.4 (-1.6)	313.1 (6.3)
GDP Deflator (1986=100)	126.0 (-2.9)	126.9 (-0.4)	126.7 (2.2)	127.3 (2.0)	127.8 (1.6)
Final Domestic Demand <sup>1</sup>	233.1 (5.3)	229.5 (3.3)	233.5 (0.7)	234.4 (1.6)	235.1 (1.1)
Final Demand <sup>2</sup>	245.1 (10.3)	237.1 (4.1)	239.9 (-8.1)	237.6 (-3.8)	242.2 (8.0)
<b>Composition of Growth<sup>3</sup></b> (\$ Millions)					
Total GDP Growth	5,235	12,521	-1,608	-2,206	2,786
● Consumer Spending	1,935	3,856	209	-232	1,091
● Business Machinery and Equipment	1,007	2,987	875	2,077	543
● Non-Residential Construction	234	-126	-93	-295	-77
● Residential Construction	-339	558	-635	-347	-54
● Government Spending	145	33	25	-270	-833
● Net Exports	2,967	2,054	-5,510	-3,269	3,965
● Inventories	-856	2,700	3,220	278	-1,715

**Source:** Ontario Ministry of Finance and Statistics Canada

**Note:** Per cent change from previous period, at annual rates, is given in brackets.

1. Combined sum of consumer spending, government spending and business investment excluding inventory investment.

2. Final domestic demand plus net exports.

3. Does not sum to GDP growth, as the "statistical discrepancy" is not shown.

### THIRD QUARTER DETAILS

**R**eal consumer spending recorded its first significant gain of the year, rising 3.2 per cent at annual rates in 1995:3, following a flat first half of the year. The rise in spending reflected higher after-tax income and a gain in full-time employment. Expenditures on consumer goods bounced back by 4.6 per cent at annual rates, after falling 3.5 per cent in 1995:2. Spending on services rose 1.8 per cent, down slightly from a 2.2 per cent advance in second quarter.

- **Personal income** rose 4.5 per cent at annual rates in 1995:3, recovering from a 1.0 per cent drop in the previous quarter. Wages, salaries and supplementary labour income, the largest component of personal income, shot ahead by 5.9 per cent, the result of a gain of 21,000 full-time jobs in the July-September period, combined with a 2.8 per cent annualized rise in average weekly earnings. Personal income was also boosted by a 3.0 per cent increase in interest and dividend income.
- **Personal disposable income** rose 3.0 per cent at annual rates in 1995:3, after falling 3.1 per cent in the previous quarter. With disposable income rising faster than nominal consumer spending, the Ontario **savings rate** declined from 7.9 to 7.5 per cent, one of the lowest rates since the late 1960s.

**THE CONSUMER SECTOR, 1994:4 - 1995:3**  
(1986 \$ Millions, Seasonally Adjusted Annual Rates)

**TABLE 2**

	1994:4	1994	1995:1	1995:2	1995:3
Consumer Spending	139,128 (5.8)	137,255 (2.9)	139,337 (0.6)	139,105 (-0.7)	140,196 (3.2)
- Goods	68,612 (9.4)	67,204 (4.2)	68,965 (2.1)	68,351 (-3.5)	69,127 (4.6)
- Services	70,516 (2.3)	70,051 (1.6)	70,372 (-0.8)	70,754 (2.2)	71,069 (1.8)
Personal Income (Current\$)	263,876 (6.4)	258,088 (2.2)	265,641 (2.7)	264,955 (-1.0)	267,888 (4.5)
Personal Disposable Income (Current\$)	201,746 (6.3)	197,833 (1.9)	203,552 (3.6)	201,977 (-3.1)	203,463 (3.0)
Personal Savings Rate (%)	9.2	8.9	9.2	7.9	7.5

**Source:** Ontario Ministry of Finance and Statistics Canada

**Note:** Per cent change from previous quarter, at annual rates, is given in brackets.

- The year-long slump in **residential construction** continued in 1995:3 as real activity declined by 2.0 per cent at annualized rates, following three quarters of double-digit declines. Weakness in new construction, offset stronger activity in the resale market.
  - Ontario housing starts edged ahead by 1.2 per cent in 1995:3, following declines of 20.5 per cent in 1995:2 and 4.6 per cent in the first quarter. However, home resales buoyed by declining mortgage rates rose 19.2 per cent in 1995:3, after a 27.7 per cent surge in the second quarter.
- Real business **investment** in plant and equipment slowed to an annual rate of 5.5 per cent in 1995:3, down from a 23.5 per cent advance recorded in the second quarter. Outlays on machinery and equipment rose 7.7 per cent, following a jump of 34.6 per cent in the previous quarter. Investment in machinery and equipment has been on an upward trend for three years and its share of total real GDP surpassed 12 per cent in 1995:3, the highest level on record. Non-residential construction declined 5.4 per cent in the third quarter, its third straight drop.
- **Inventory** accumulation moderated. Businesses added \$3.4 billion to stocks in 1995:3, down from an average of \$5 billion in the previous two quarters. Manufacturers halved their rate of stock building, while most other sectors experienced little change.
- **Corporation profits** before taxes resumed their three-year upward trend, jumping 40.9 per cent at annual rates in 1995:3, after declining in the first and second quarters. The rise in profits was concentrated in the non-financial industries, particularly for the electrical and electronic products industry, as well as autos, printing and publishing, and pulp and paper products.

**THE BUSINESS SECTOR, 1994:4 - 1995:3**  
(1986 \$ Millions, Seasonally Adjusted Annual Rates)

**TABLE 3**

	1994:4	1994	1995:1	1995:2	1995:3
Residential Construction	11,564 (-10.9)	11,810 (5.0)	10,929 (-20.2)	10,582 (-12.1)	10,528 (-2.0)
Business Plant and Equipment	32,060 (17.1)	30,208 (10.5)	32,842 (10.1)	34,623 (23.5)	35,089 (5.5)
- Non-Residential Construction	5,976 (17.3)	5,590 (-2.2)	5,883 (-6.1)	5,587 (-18.6)	5,510 (-5.4)
- Machinery & Equipment	26,084 (17.1)	24,618 (13.8)	26,959 (14.1)	29,036 (34.6)	29,579 (7.7)
Business and Farm Inventory Accumulation	1,641	1,873	4,861	5,140	3,424
Pre-Tax Corporate Profits (Current \$)	26,902 (24.2)	25,381 (36.9)	26,824 (-1.2)	24,974 (-24.9)	27,208 (40.9)

**Source:** Ontario Ministry of Finance and Statistics Canada

**Note:** Per cent change from previous quarter, at annual rates, is given in brackets.

**R**eal Ontario exports recovered in the third quarter, rising 9.8 per cent at annual rates, after a 13.1 per cent decline the 1995:2. The gain in exports reflected stronger growth in the U.S. economy, particularly demand for machinery and equipment and auto parts. Real imports were little changed, up by 0.6 per cent, after a 6.8 per cent drop in the previous quarter. Imports of autos and industrial machinery and equipment fell. With exports rising faster than imports, the real trade balance more than doubled, from \$3.1 billion in 1995:2 to \$7.1 billion in 1995:3.

- Exports of machinery and equipment, auto parts, iron and steel and precious metals all rose in the third quarter. This was moderated by a decline in exports of cars, aircraft and food.
- The automotive industry (cars, parts and trucks) is Ontario's most important export sector, accounting for close to one-half of international merchandise exports, and over 10 per cent of interprovincial trade. About 90 per cent of total Canadian auto production occurs in Ontario, with most of the output destined for the U.S. market.
- Lower imports of autos, industrial machinery and equipment and clothing were offset by higher imports of food, chemicals and auto parts.

**THE EXTERNAL SECTOR, 1994:4 - 1995:3**  
(1986 \$ Millions, Seasonally Adjusted Annual Rates)

**TABLE 4**

	1994:4	1994	1995:1	1995:2	1995:3
Total Exports	183,925 (43.1)	167,271 (12.7)	185,220 (2.8)	178,847 (-13.1)	183,089 (9.8)
Total Imports	172,005 (36.3)	159,635 (11.8)	178,809 (16.8)	175,705 (-6.8)	175,982 (0.6)
Balance of Trade	11,920	7,636	6,411	3,142	7,107

**Source:** Ontario Ministry of Finance and Statistics Canada

**Note:** Per cent change from previous quarter, at annual rates, is given in brackets.

**T**otal real **government spending** in Ontario by all levels of government (federal, provincial and local) declined 6.5 per cent in 1995:3.

- Government **current spending** on goods and services, in constant dollars, fell at a 9.0 per cent annualized rate in 1995:3, after smaller declines in the previous two quarters.
- Real government **capital investment** rose at a 10.9 per cent annual rate in 1995:3, after declining by 6.1 per cent in 1995:2.

**THE GOVERNMENT SECTOR, 1994:4 - 1995:3**  
1986 \$ Millions, Seasonally Adjusted Annual Rates)

**TABLE 5**

	1994:4	1994	1995:1	1995:2	1995:3
Total Government Expenditure*	50,390 (-1.2)	50,181 (-0.1)	50,415 (-0.2)	50,145 (-2.1)	49,311 (-6.5)
- Current Expenditure	43,543 (-4.2)	44,141 (-1.2)	43,531 (-0.1)	43,367 (-1.5)	42,357 (-9.0)
- Capital Investment	6,847 (-45.5)	6,040 (-10.4)	6,884 (2.1)	6,777 (-6.1)	6,954 (10.9)

Source: Ontario Ministry of Finance and Statistics Canada

Note: Per cent change from previous quarter, at annual rates, is given in brackets.  
Includes federal, provincial and local levels

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The Ontario Economic Accounts is also available in French.

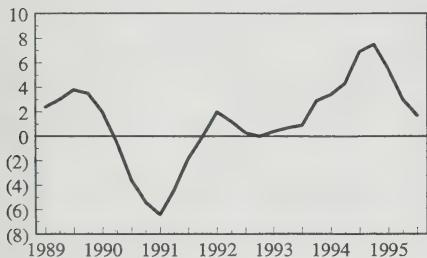
**NOTE: TOTALS MAY NOT ADD EXACTLY DUE TO ROUNDING.**

# Ontario Economic Accounts Summary (1989:1 - 1995:3)

Gross Domestic Product

(1986 \$)

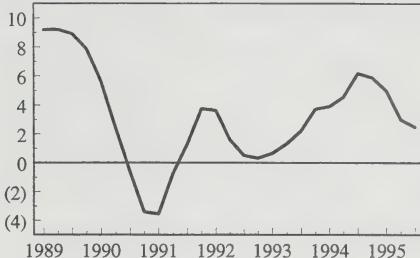
% change, year-over-year



Gross Domestic Product

(Current \$)

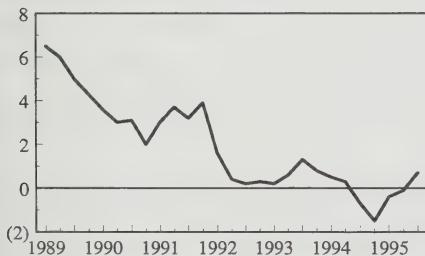
% change, year-over-year



GDP Deflator

(1986 = 100)

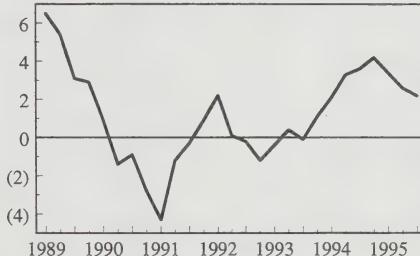
% change, year-over-year



Final Domestic Demand

(1986 \$)

% change, year-over-year



Personal Income

(Current \$)

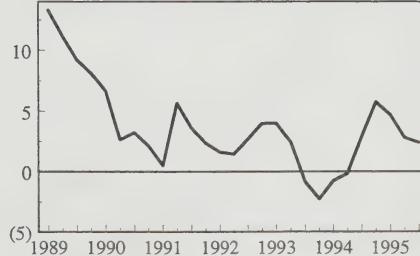
% change, year-over-year



Personal Disposable Income

(Current \$)

% change, year-over-year



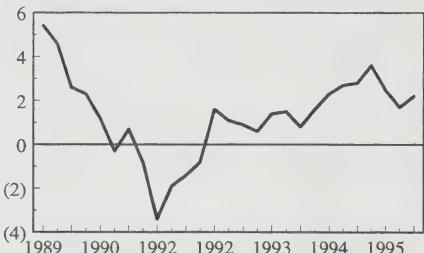
# Ontario Economic Accounts Summary

(1989:1 - 1995:3)

## Consumer Spending

(1986 \$)

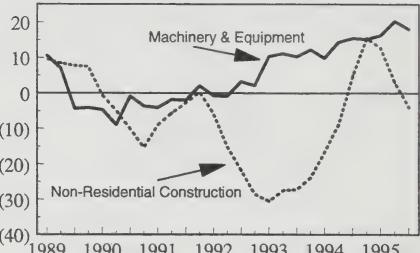
% change, year-over-year



## Business Plant & Equipment

(1986 \$)

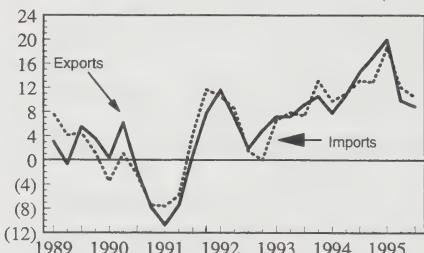
% change, year-over-year



## Trade

(1986 \$)

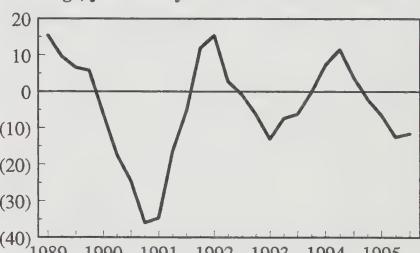
% change, year-over-year



## Residential Construction

(1986 \$)

% change, year-over-year



## Government Spending

(1986 \$)

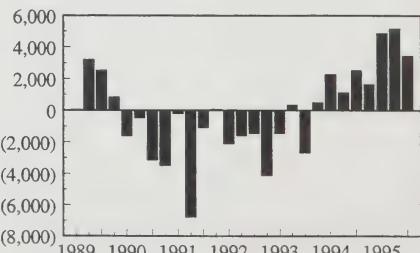
% change, year-over-year



## Change in Inventories

(1986 \$)

millions



## ONTARIO GROSS DOMESTIC PRODUCT, (INCOME BASED)

(\$ millions, seasonally adjusted at annual rates)

TABLE 1

	1994					1995				
	I	II	III	IV	YEAR	I	II	III	IV	YEAR
Wages, salaries, and supplementary labour income	165,392	167,644	169,871	172,678	168,896	172,738	171,346	173,836		
	0.4	5.6	5.4	6.8	2.6	0.1	-3.2	5.9		
Military Pay and allowances	1,414	1,411	1,346	1,319	1,373	1,312	1,314	1,244		
	3.6	-0.9	-17.3	-7.6	-3.0	-2.2	0.6	-19.7		
Corporation profits before taxes	23,882	25,255	25,485	26,902	25,381	26,824	24,974	27,208		
	35.7	25.1	3.7	24.2	36.9	-1.2	-24.9	40.9		
Interest and miscellaneous investment income	14,581	15,885	16,601	16,166	15,808	16,951	16,324	15,760		
	19.1	40.8	19.3	-10.1	8.3	20.9	-14.0	-13.1		
Accrued net income of farm operators from farm production	250	311	280	212	263	298	406	384		
	2053.4	140.5	-34.3	-67.3	94.5	292.5	244.5	-20.0		
Net income of non-farm unincorporated business including rent	16,716	16,800	16,877	16,838	16,808	16,894	16,914	16,972		
	-4.5	2.0	1.9	-0.9	2.7	1.3	0.5	1.4		
Inventory valuation adjustment	-2,174	-2,941	-1,748	-2,132	-2,249	-3,996	-1,482	-1,124		
Net Domestic Income at factor cost	220,061	224,365	228,712	231,983	226,280	231,021	229,796	234,280		
	2.2	8.1	8.0	5.8	5.4	-1.6	-2.1	8.0		
Indirect taxes less subsidies	39,793	39,902	41,069	41,865	40,657	41,918	42,340	42,524		
	5.0	1.1	12.2	8.0	5.4	0.5	4.1	1.7		
Capital consumption allowances and miscellaneous valuation adjustments	34,932	35,243	35,853	36,150	35,545	36,732	36,254	36,338		
	4.6	3.6	7.1	3.4	3.2	6.6	-5.1	0.9		
Gross Domestic Product at market prices	294,786	299,510	305,634	309,998	302,482	309,671	308,390	313,142		
	2.9	6.6	8.4	5.8	5.2	-0.4	-1.6	6.3		

Note: Percentage change from previous quarter is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT, (EXPENDITURE BASED)**  
(\$ millions, seasonally adjusted at annual rates)

TABLE

	1994					1995				
	I	II	III	IV	YEAR	I	II	III	IV	YEAR
1. Personal expenditure on consumer goods and services:	175,871	176,985	178,055	180,762	177,919	182,202	183,000	185,112		
	3.3	2.6	2.4	6.2	3.5	3.2	1.8	4.7		
2. Goods	82,221	82,417	82,917	84,804	83,090	85,862	85,712	86,824		
	3.9	1.0	2.4	9.4	3.4	5.1	-0.7	5.3		
3. Services	93,650	94,568	95,138	95,958	94,829	96,340	97,288	98,288		
	2.8	4.0	2.4	3.5	3.5	1.6	4.0	4.2		
4. Government expenditure on goods and services:	63,151	63,432	63,421	63,685	63,422	63,790	63,522	62,335		
	0.5	1.8	-0.1	1.7	0.2	0.7	-1.7	-7.3		
5. Current expenditure	58,061	58,002	57,566	57,303	57,733	57,374	57,158	55,784		
	-1.1	-0.4	-3.0	-1.8	-0.5	0.5	-1.5	-9.3		
6. Capital expenditure	5,090	5,430	5,855	6,382	5,689	6,416	6,364	6,551		
	20.5	29.6	35.2	41.2	8.2	2.1	-3.2	12.3		
7. Business gross fixed capital formation:	40,971	42,424	42,931	43,440	42,441	43,326	44,480	44,116		
	4.1	15.0	4.9	4.8	8.7	-1.0	11.1	-3.2		
8. Residential construction	15,462	16,085	15,784	15,449	15,695	14,416	14,064	14,266		
	-1.0	17.1	-7.3	-8.2	6.8	-24.2	-9.4	5.9		
9. Non-residential construction	6,245	6,577	7,010	7,332	6,791	7,288	6,984	6,926		
	6.9	23.0	29.1	19.7	0.4	-2.4	-15.7	-3.3		
10. Machinery and equipment	19,264	19,762	20,137	20,659	19,955	21,622	23,432	22,924		
	7.4	10.8	7.8	10.8	13.5	20.0	37.9	-8.4		
11. Exports of goods and services	168,694	180,888	186,646	201,766	184,499	206,520	198,878	201,398		
	-4.9	32.2	13.4	36.6	14.9	9.8	-14.0	5.2		
12. DEDUCT: Imports of goods and services	155,121	164,731	166,838	179,229	166,480	190,253	185,896	183,021		
	-1.3	27.2	5.2	33.2	14.6	27.0	-8.9	-6.0		
13. Value of physical change in inventories:	1,846	1,109	1,711	782	1,362	5,000	5,134	3,860		
14. Non-farm	1,934	1,221	1,936	1,174	1,566	4,988	4,876	3,584		
15. Farm and grain in commercial channels	-88	-112	-225	-392	-204	12	258	276		
16. Statistical Discrepancy	-626	-596	-292	-1,208	-681	-914	-728	-658		
17. Gross Domestic Product at market prices	294,786	299,510	305,634	309,998	302,482	309,671	308,390	313,142		
	2.9	6.6	8.4	5.8	5.2	-0.4	-1.6	6.3		
18. Gross Domestic Product in constant (1986) dollars	231,660	235,111	240,831	246,065	238,417	244,457	242,251	245,037		
	5.1	6.1	10.1	9.0	5.5	-2.6	-3.6	4.7		

Note: Percentage change from previous quarter is given at annual rate on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT AT 1986 PRICES**  
*(millions, seasonally adjusted at annual rates)*

TABLE 3

	1994					1995				
	I	II	III	IV	YEAR	I	II	III	IV	YEAR
Personal expenditure on consumer goods and services	135,879	136,821	137,193	139,128	137,255	139,337	139,105	140,196		
	4.9	2.8	1.1	5.8	2.9	0.6	-0.7	3.2		
Goods	66,148	66,973	67,084	68,612	67,204	68,965	68,351	69,127		
	8.6	5.1	0.7	9.4	4.2	2.1	-3.5	4.6		
Services	69,731	69,848	70,109	70,516	70,051	70,372	70,754	71,069		
	1.5	0.7	1.5	2.3	1.6	-0.8	2.2	1.8		
Government expenditure on goods and services:	49,945	50,143	50,245	50,390	50,181	50,415	50,145	49,311		
	0.2	1.6	0.8	1.2	0.1	0.2	-2.1	-6.5		
Current expenditure	44,593	44,418	44,010	43,543	44,141	43,531	43,367	42,357		
	-2.3	-1.6	-3.6	-4.2	-1.2	-0.1	-1.5	-9.0		
Capital expenditure	5,352	5,725	6,235	6,847	6,040	6,884	6,777	6,954		
	23.7	30.9	40.7	45.5	10.4	2.1	-6.1	10.9		
Business gross fixed capital formation:	40,091	41,637	42,722	43,624	42,018	43,771	45,206	45,618		
	4.8	16.3	10.8	8.7	8.9	1.4	13.8	3.7		
Residential construction	11,687	12,087	11,903	11,564	11,810	10,929	10,582	10,528		
	-4.2	14.4	-5.9	-10.9	5.0	-20.2	-12.1	-2.0		
Non-residential construction	5,222	5,421	5,742	5,976	5,590	5,883	5,587	5,510		
	3.8	16.1	25.9	17.3	-2.2	-6.1	-18.6	-5.4		
Machinery and equipment	23,182	24,129	25,077	26,084	24,618	26,959	29,036	29,579		
	10.0	17.4	16.7	17.1	13.8	14.1	34.6	7.7		
Exports of goods and services	154,340	162,669	168,150	183,925	167,271	185,220	178,847	183,089		
	-6.7	23.4	14.2	43.1	12.7	2.8	-13.1	9.8		
DEDUCT: Imports of goods and services	150,603	156,737	159,197	172,005	159,635	178,809	175,705	175,982		
	-4.4	17.3	6.4	36.3	11.8	16.8	-6.8	0.6		
Value of physical change in inventories:	2,253	1,101	2,497	1,641	1,873	4,861	5,140	3,424		
Non-farm	1,285	1,349	2,000	1,324	1,490	4,852	4,945	3,042		
Farm and grain in commercial channels	967	-248	497	317	383	9	194	382		
Statistical Discrepancy	-245	-523	-779	-638	-546	-338	-486	-620		
Gross Domestic Product	231,660	235,111	240,831	246,065	238,417	244,457	242,251	245,037		
	5.1	6.1	10.1	9.0	5.5	-2.6	-3.6	4.7		
Final Domestic Demand	225,915	228,601	230,161	233,142	229,455	233,523	234,455	235,126		
	3.8	4.8	2.8	5.3	3.3	0.7	1.6	1.1		

es: Percentage change from previous quarter is given at annual rate on the second line.

rces: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**SOURCES AND DISPOSITION OF ONTARIO PERSONAL INCOME**

(\$ millions, seasonally adjusted at annual rates)

TABLE

	1994					1995				
	I	II	III	IV	YEAR	I	II	III	IV	YEAR
1. Wages, salaries, and supplementary labour income	162,792	164,925	167,037	169,723	166,119	169,782	168,414	170,861		
	0.3	5.3	5.2	6.6	2.6	0.1	-3.2	5.9		
2. Add: Military pay and allowances	1,414	1,411	1,346	1,319	1,373	1,312	1,314	1,244		
	3.6	-0.9	-17.3	-7.6	-3.0	-2.2	0.6	-19.7		
3. Net income of farm operators from farm production	141	208	354	470	293	650	866	808		
	199.0	367.9	740.0	209.2	29.9	266.8	215.1	-24.2		
4. Net income of non-farm unincorporated business including rent	16,716	16,800	16,877	16,838	16,808	16,894	16,914	16,972		
	-4.5	2.0	1.9	-0.9	2.7	1.3	0.5	1.4		
5. Interest, dividends, and miscellaneous investment income	30,871	31,747	32,939	33,758	32,329	35,090	35,944	36,212		
	1.5	11.8	15.9	10.3	1.8	16.7	10.1	3.0		
6. Current transfers from government, corporations and non-residents	40,606	41,008	41,282	41,768	41,166	41,913	41,503	41,791		
	1.5	4.0	2.7	4.8	1.1	1.4	-3.9	2.8		
7. Equals: Personal income	252,540	256,099	259,835	263,876	258,088	265,641	264,955	267,888		
	0.4	5.8	6.0	6.4	2.2	2.7	-1.0	4.5		
8. Deduct: Personal direct taxes	57,154	58,570	60,028	60,959	59,178	60,872	61,753	63,197		
	-19.5	10.3	10.3	6.3	3.8	-0.6	5.9	9.7		
9. Other current transfers to government	972	1,050	1,115	1,171	1,077	1,217	1,225	1,228		
	-57.9	36.6	26.8	21.9	-13.9	16.5	2.7	1.0		
10. Equals: Personal disposable income	194,414	196,479	198,692	201,746	197,833	203,552	201,977	203,463		
	7.8	4.3	4.6	6.3	1.9	3.6	-3.1	3.0		
11. Deduct: Personal expenditure on consumer goods and services	175,871	176,985	178,055	180,762	177,919	182,202	183,000	185,112		
	3.3	2.6	2.4	6.2	3.5	3.2	1.8	4.7		
12. Current transfers to corporations	1,695	1,691	2,030	1,998	1,854	2,265	2,609	2,778		
	-33.4	-0.8	107.7	-6.1	-5.9	65.0	76.0	28.5		
13. Current transfers to non-residents	386	389	395	398	392	417	415	415		
	24.4	2.6	6.4	2.6	6.5	21.1	-1.9	0.0		
14. Equals: Personal saving	16,462	17,414	18,212	18,588	17,669	18,668	15,953	15,158		
	87.0	25.2	19.7	8.5	-11.0	1.7	-46.7	-18.5		
15. Personal savings rate	8.5	8.9	9.2	9.2	8.9	9.2	7.9	7.5		

Note: Percentage change from previous quarter is given at annual rate on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

## ONTARIO TRADE

(\$ millions, seasonally adjusted at annual rates)

TABLE 5

	1994				1995			
	I	II	III	IV	YEAR	I	II	III
1. Exports of Goods and Services	168,694	180,888	186,646	201,766	184,499	206,520	198,878	201,398
	-4.9	32.2	13.4	36.6	14.9	9.8	-14.0	5.2
2. Of Which: International	108,046	118,954	123,690	137,576	122,067	142,376	135,694	137,188
	-5.1	46.9	16.9	53.0	21.1	14.7	-17.5	4.5
3. Goods	94,282	104,418	109,104	122,174	107,495	126,574	120,338	121,814
	-6.5	50.4	19.2	57.2	22.3	15.2	-18.3	5.0
4. Services	13,764	14,536	14,586	15,402	14,572	15,802	15,356	15,374
	4.5	24.4	1.4	24.3	13.0	10.8	-10.8	0.5
5. Of Which: Interprovincial Goods and Services	60,648	61,934	62,956	64,190	62,432	64,144	63,184	64,210
	-4.6	8.8	6.8	8.1	4.5	-0.3	-5.9	6.7
6. Imports of Goods and Services	155,121	164,731	166,838	179,229	166,480	190,253	185,896	183,021
	-1.3	27.2	5.2	33.2	14.6	27.0	-8.9	-6.0
7. Trade Balance	13,573	16,157	19,808	22,537	18,019	16,267	12,982	18,377

Note: Percentage change from previous quarter is given at annual rate on the second line.

Source: Office of Economic Policy, Ontario Ministry of Finance

**RELATIONSHIP BETWEEN ONTARIO GROSS DOMESTIC PRODUCT  
AND ONTARIO GROSS PROVINCIAL PRODUCT**  
*( $\$$  millions, seasonally adjusted at annual rates)*

TABLE 6

	1994				1995				
	I	II	III	IV	YEAR	I	II	III	IV
1. Gross Domestic Product at market prices	294,786	299,510	305,634	309,998	302,482	309,671	308,390	313,142	
	2.9	6.6	8.4	5.8	5.2	-0.4	-1.6	6.3	
2. Less: Investment income paid to non-residents	14,653	16,231	15,204	15,014	15,276	16,859	16,343	16,412	
	2.2	50.5	-23.0	4.9	8.7	59.0	-11.7	1.7	
3. Plus: Investment income received from non-residents	6,074	7,011	6,965	7,899	6,987	7,982	8,505	8,058	
	-27.0	77.5	-2.6	65.4	7.0	4.3	28.9	-19.4	
4. Equals: Gross Provincial Product at market prices	286,207	290,290	297,395	302,883	294,194	300,794	300,552	304,788	
	2.1	5.8	10.2	7.6	5.0	-2.7	-0.3	5.8	

Note: Percentage change from previous quarter is given at annual rate on the second line.

Source: Office of Economic Policy, Ontario Ministry of Finance

ONTARIO DEFLATORS  
986 = 100)

TABLE 7

	1994					1995				
	I	II	III	IV	YEAR	I	II	III	IV	YEAR
Personal expenditure on consumer goods and services	129.4	129.4	129.8	129.9	129.6	130.8	131.6	132.0		
	-1.6	-0.2	1.3	0.4	.5	2.6	2.4	1.5		
Goods	124.3	123.1	123.6	123.6	123.6	124.5	125.4	125.6		
	-4.4	-3.9	1.8	0.0	-0.8	2.9	2.9	0.6		
Services	134.3	135.4	135.7	136.1	135.4	136.9	137.5	138.3		
	1.2	3.3	0.9	1.1	1.9	2.4	1.8	2.3		
Government expenditure on goods and services:	126.4	126.5	126.2	126.4	126.4	126.5	126.7	126.4		
	0.3	0.2	-0.9	0.5	0.1	0.5	0.5	-0.8		
Current expenditure	130.2	130.6	130.8	131.6	130.8	131.8	131.8	131.7		
	1.2	1.2	0.7	2.5	0.7	0.6	0.0	-0.3		
Capital expenditure	95.1	94.9	93.9	93.2	94.3	93.2	93.9	94.2		
	-2.5	-1.0	-3.9	-2.9	-1.9	0.0	3.0	1.3		
Business gross fixed capital formation:	102.2	101.9	100.5	99.6	101.0	99.0	98.4	96.7		
	-0.7	-1.2	-5.4	-3.6	-0.1	-2.4	-2.4	-6.7		
Residential construction	132.3	133.1	132.6	133.6	132.9	131.9	132.9	135.5		
	3.4	2.4	-1.4	3.1	1.8	-5.0	3.1	8.1		
Non-residential construction	119.6	121.3	122.1	122.7	121.4	123.9	125.0	125.7		
	3.1	5.9	2.6	2.0	2.6	4.0	3.6	2.3		
Machinery and equipment	83.1	81.9	80.3	79.2	81.1	80.2	80.7	77.5		
	-2.4	-5.7	-7.6	-5.4	-0.2	5.1	2.5	-14.9		
Exports of goods and services	109.3	111.2	111.0	109.7	110.3	111.5	111.2	110.0		
	1.9	7.1	-0.7	-4.6	2.0	6.7	-1.1	-4.2		
DEDUCT: Imports of goods and services	103.0	105.1	104.8	104.2	104.3	106.4	105.8	104.0		
	3.2	8.4	-1.1	-2.3	2.5	8.7	-2.2	-6.6		
Value of physical change in inventories:	81.9	100.7	68.5	47.7	72.7	102.8	99.9	112.7		
Non-farm	150.5	90.5	96.8	88.7	105.2	102.8	98.6	117.8		
Farm and grain in commercial channels	-9.1	45.2	-45.3	-123.6	-53.3	140.7	132.7	72.3		
Gross Domestic Product	127.2	127.4	126.9	126.0	126.9	126.7	127.3	127.8		
	-2.1	0.4	-1.5	-2.9	-0.4	2.2	2.0	1.6		
Final Domestic Demand	123.9	123.7	123.6	123.5	123.7	123.9	124.1	124.0		
	-1.0	-0.7	-0.5	-0.3	0.2	1.3	0.7	-0.4		

Note: Percentage change from previous quarter is given at annual rate on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT, (INCOME BASED)**  
(\$ millions)

**TABLE 8**

	1990	1991	1992	1993	1994
<b>1. Wages, salaries, and supplementary labour income</b>	<b>157,763</b> 3.3	<b>160,755</b> 1.9	<b>163,477</b> 1.7	<b>164,635</b> 0.7	<b>168,896</b> 2.6
<b>2. Military pay and allowances</b>	<b>1,278</b> 7.4	<b>1,338</b> 4.7	<b>1,419</b> 6.0	<b>1,415</b> -0.2	<b>1,373</b> -3.0
<b>3. Corporation profits before taxes</b>	<b>19,745</b> -28.3	<b>16,092</b> -18.5	<b>16,129</b> 0.2	<b>18,538</b> 14.9	<b>25,381</b> 36.9
<b>4. Interest and miscellaneous investment income</b>	<b>16,766</b> 8.9	<b>15,412</b> -8.1	<b>16,023</b> 4.0	<b>14,591</b> -8.9	<b>15,808</b> 8.3
<b>5. Accrued net income of farm operators from farm production</b>	<b>352</b> 142.8	<b>229</b> -34.9	<b>221</b> -3.6	<b>135</b> -38.7	<b>263</b> 94.5
<b>6. Net income of non-farm unincorporated business including rent</b>	<b>14,472</b> -0.5	<b>14,873</b> 2.8	<b>15,268</b> 2.7	<b>16,373</b> 7.2	<b>16,808</b> 2.7
<b>7. Inventory valuation adjustment</b>	<b>-19</b>	<b>874</b>	<b>-1,093</b>	<b>-1,046</b>	<b>-2,249</b>
<b>8. Net Domestic Income at factor cost</b>	<b>210,357</b> -0.3	<b>209,573</b> -0.4	<b>211,444</b> 0.9	<b>214,641</b> 1.5	<b>226,280</b> 5.4
<b>9. Indirect taxes less subsidies</b>	<b>36,597</b> -1.2	<b>35,999</b> -1.6	<b>37,242</b> 3.5	<b>38,578</b> 3.6	<b>40,657</b> 5.4
<b>10. Capital consumption allowances and miscellaneous valuation adjustments</b>	<b>30,500</b> 13.5	<b>32,279</b> 5.8	<b>33,354</b> 3.3	<b>34,432</b> 3.2	<b>35,545</b> 3.2
<b>11. Gross Domestic Product at market prices</b>	<b>277,454</b> 1.0	<b>277,851</b> 0.1	<b>282,040</b> 1.5	<b>287,651</b> 2.0	<b>302,482</b> 5.2

Note: Percentage change from previous year is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT, (EXPENDITURE BASED)**

(\$ millions)

TABLE 9

	1990	1991	1992	1993	1994
<b>1. Personal expenditure on consumer goods and services:</b>	<b>158,584</b>	<b>162,526</b>	<b>166,445</b>	<b>171,977</b>	<b>177,919</b>
	4.4	2.5	2.4	3.3	3.5
<b>2. Goods</b>	<b>77,486</b>	<b>77,446</b>	<b>78,197</b>	<b>80,379</b>	<b>83,090</b>
	1.0	-0.1	1.0	2.8	3.4
<b>3. Services</b>	<b>81,098</b>	<b>85,080</b>	<b>88,248</b>	<b>91,598</b>	<b>94,829</b>
	7.9	4.9	3.7	3.8	3.5
<b>4. Government expenditure on goods and services:</b>	<b>56,843</b>	<b>61,490</b>	<b>63,351</b>	<b>63,308</b>	<b>63,422</b>
	11.2	8.2	3.0	-0.1	0.2
<b>5. Current expenditure</b>	<b>50,958</b>	<b>55,332</b>	<b>57,284</b>	<b>58,049</b>	<b>57,733</b>
	10.5	8.6	3.5	1.3	-0.5
<b>6. Capital expenditure</b>	<b>5,885</b>	<b>6,158</b>	<b>6,067</b>	<b>5,259</b>	<b>5,689</b>
	18.0	4.6	-1.5	-13.3	8.2
<b>7. Business gross fixed capital formation:</b>	<b>48,928</b>	<b>44,237</b>	<b>41,083</b>	<b>39,041</b>	<b>42,441</b>
	-12.8	-9.6	-7.1	-5.0	8.7
<b>8. Residential construction</b>	<b>18,013</b>	<b>15,739</b>	<b>15,749</b>	<b>14,694</b>	<b>15,695</b>
	-22.8	-12.6	0.1	-6.7	6.8
<b>9. Non-residential construction</b>	<b>12,273</b>	<b>11,342</b>	<b>9,205</b>	<b>6,762</b>	<b>6,791</b>
	-5.8	-7.6	-18.8	-26.5	0.4
<b>10. Machinery and equipment</b>	<b>18,642</b>	<b>17,156</b>	<b>16,129</b>	<b>17,585</b>	<b>19,955</b>
	-5.5	-8.0	-6.0	9.0	13.5
<b>11. Exports of goods and services</b>	<b>140,709</b>	<b>135,157</b>	<b>144,415</b>	<b>160,531</b>	<b>184,499</b>
	-0.2	-3.9	6.8	11.2	14.9
<b>12. DEDUCT: Imports of goods and services</b>	<b>124,155</b>	<b>121,441</b>	<b>128,848</b>	<b>145,280</b>	<b>166,480</b>
	-2.3	-2.2	6.1	12.8	14.6
<b>13. Value of physical change in inventories:</b>	<b>-2,494</b>	<b>-2,305</b>	<b>-2,597</b>	<b>-618</b>	<b>1,362</b>
<b>14. Non-farm</b>	<b>-2,409</b>	<b>-2,206</b>	<b>-2,313</b>	<b>-516</b>	<b>1,566</b>
<b>15. Farm and grain in commercial channels</b>	<b>-86</b>	<b>-99</b>	<b>-284</b>	<b>-102</b>	<b>-204</b>
<b>16. Statistical Discrepancy</b>	<b>-960</b>	<b>-1,813</b>	<b>-1,808</b>	<b>-1,308</b>	<b>-681</b>
<b>17. Gross Domestic Product at market prices</b>	<b>277,454</b>	<b>277,851</b>	<b>282,040</b>	<b>287,651</b>	<b>302,482</b>
	1.0	0.1	1.5	2.0	5.2
<b>18. Gross Domestic Product in constant (1986) dollars</b>	<b>228,501</b>	<b>221,165</b>	<b>223,083</b>	<b>225,895</b>	<b>238,417</b>
	-1.9	-3.2	0.9	1.3	5.5

Note: Percentage change from previous year is given on the second line.

Source: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT AT 1986 PRICES**  
(\$ millions)

**TABLE 10**

	1990	1991	1992	1993	1994
<b>1. Personal expenditure on consumer goods and services:</b>	<b>132,774</b>	<b>130,269</b>	<b>131,656</b>	<b>133,399</b>	<b>137,255</b>
0.2	-1.9	1.1	1.3	2.9	
<b>2. Goods</b>	<b>65,622</b>	<b>63,143</b>	<b>63,634</b>	<b>64,478</b>	<b>67,204</b>
-2.8	-3.8	0.8	1.3	4.2	
<b>3. Services</b>	<b>67,152</b>	<b>67,126</b>	<b>68,022</b>	<b>68,921</b>	<b>70,051</b>
3.3	0.0	1.3	1.3	1.6	
<b>4. Government expenditure on goods and services:</b>	<b>47,855</b>	<b>50,147</b>	<b>50,470</b>	<b>50,148</b>	<b>50,181</b>
6.1	4.8	0.6	-0.6	0.1	
<b>5. Current expenditure</b>	<b>42,435</b>	<b>44,151</b>	<b>44,277</b>	<b>44,676</b>	<b>44,141</b>
4.8	4.0	0.3	0.9	-1.2	
<b>6. Capital expenditure</b>	<b>5,420</b>	<b>5,996</b>	<b>6,193</b>	<b>5,472</b>	<b>6,040</b>
18.3	10.6	3.3	-11.6	10.4	
<b>7. Business gross fixed capital formation:</b>	<b>43,246</b>	<b>40,670</b>	<b>39,434</b>	<b>38,600</b>	<b>42,018</b>
-11.2	-6.0	-3.0	-2.1	8.9	
<b>8. Residential construction</b>	<b>13,637</b>	<b>11,800</b>	<b>12,075</b>	<b>11,253</b>	<b>11,810</b>
-21.1	-13.5	2.3	-6.8	5.0	
<b>9. Non-residential construction</b>	<b>10,031</b>	<b>9,587</b>	<b>7,885</b>	<b>5,716</b>	<b>5,590</b>
-7.8	-4.4	-17.8	-27.5	-2.2	
<b>10. Machinery and equipment</b>	<b>19,578</b>	<b>19,283</b>	<b>19,474</b>	<b>21,631</b>	<b>24,618</b>
-4.6	-1.5	1.0	11.1	13.8	
<b>11. Exports of goods and services</b>	<b>132,124</b>	<b>128,640</b>	<b>136,665</b>	<b>148,414</b>	<b>167,271</b>
-0.8	-2.6	6.2	8.6	12.7	
<b>12. DEDUCT: Imports of goods and services</b>	<b>124,560</b>	<b>125,112</b>	<b>131,310</b>	<b>142,833</b>	<b>159,635</b>
-3.1	0.4	5.0	8.8	11.8	
<b>13. Value of physical change in inventories</b>	<b>-2,166</b>	<b>-1,990</b>	<b>-2,300</b>	<b>-827</b>	<b>1,873</b>
<b>14. Non-farm</b>	<b>-2,133</b>	<b>-1,923</b>	<b>-1,994</b>	<b>-684</b>	<b>1,490</b>
<b>15. Farm and grain in commercial channels</b>	<b>-33</b>	<b>-67</b>	<b>-306</b>	<b>-143</b>	<b>383</b>
<b>16. Statistical Discrepancy</b>	<b>-772</b>	<b>-1,459</b>	<b>-1,532</b>	<b>-1,006</b>	<b>-546</b>
<b>17. Gross Domestic Product</b>	<b>228,501</b>	<b>221,165</b>	<b>223,083</b>	<b>225,895</b>	<b>238,417</b>
	-1.9	-3.2	0.9	1.3	5.5
<b>18. Final Domestic Demand (1986) dollars</b>	<b>223,875</b>	<b>221,087</b>	<b>221,560</b>	<b>222,146</b>	<b>229,455</b>
	-1.1	-1.2	0.2	0.3	3.3

Notes: Percentage change from previous year is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**SOURCES AND DISPOSITION OF ONTARIO PERSONAL INCOME**

(\$ millions)

**TABLE 11**

	<b>1990</b>	<b>1991</b>	<b>1992</b>	<b>1993</b>	<b>1994</b>
<b>1. Wages, salaries, and supplementary labour income</b>	<b>155,163</b> 2.6	<b>158,111</b> 1.9	<b>160,788</b> 1.7	<b>161,927</b> 0.7	<b>166,119</b> 2.6
<b>2. Add: Military pay and allowances</b>	<b>1,278</b> 7.4	<b>1,338</b> 4.7	<b>1,419</b> 6.0	<b>1,415</b> -0.2	<b>1,373</b> -3.0
<b>3. Net income of farm operators from farm production</b>	<b>315</b> 29.9	<b>92</b> -70.8	<b>261</b> 183.9	<b>226</b> -13.5	<b>293</b> 29.9
<b>4. Net income of non-farm unincorporated business including rent</b>	<b>14,472</b> -0.5	<b>14,873</b> 2.8	<b>15,268</b> 2.7	<b>16,373</b> 7.2	<b>16,808</b> 2.7
<b>5. Interest, dividends, and miscellaneous investment income</b>	<b>37,840</b> 13.3	<b>35,300</b> -6.7	<b>33,429</b> -5.3	<b>31,757</b> -5.0	<b>32,329</b> 1.8
<b>6. Current transfers from government, corporations and non-residents</b>	<b>29,969</b> 14.5	<b>35,423</b> 18.2	<b>39,167</b> 10.6	<b>40,736</b> 4.0	<b>41,166</b> 1.1
<b>7. Equals: Personal income</b>	<b>239,036</b> 5.4	<b>245,137</b> 2.6	<b>250,332</b> 2.1	<b>252,434</b> 0.8	<b>258,088</b> 2.2
<b>8. Deduct: Personal direct taxes</b>	<b>55,370</b> 15.9	<b>56,111</b> 1.3	<b>56,727</b> 1.1	<b>57,011</b> 0.5	<b>59,178</b> 3.8
<b>9. Other current transfers to government</b>	<b>917</b> -65.0	<b>924</b> 0.8	<b>952</b> 3.0	<b>1,251</b> 31.4	<b>1,077</b> -13.9
<b>10. Equals: Personal disposable income</b>	<b>182,749</b> 3.7	<b>188,102</b> 2.9	<b>192,653</b> 2.4	<b>194,172</b> 0.8	<b>197,833</b> 1.9
<b>11. Deduct: Personal expenditure on consumer goods and services</b>	<b>158,584</b> 4.4	<b>162,526</b> 2.5	<b>166,445</b> 2.4	<b>171,977</b> 3.3	<b>177,918</b> 3.5
<b>12. Current transfers to corporations</b>	<b>3,885</b> 9.2	<b>3,347</b> -13.9	<b>2,470</b> -26.2	<b>1,971</b> -20.2	<b>1,854</b> -5.9
<b>13. Current transfers to non-residents</b>	<b>274</b> -4.5	<b>289</b> 5.6	<b>351</b> 21.3	<b>368</b> 5.0	<b>392</b> 6.5
<b>14. Equals: Personal saving</b>	<b>20,006</b> -3.0	<b>21,940</b> 9.7	<b>23,387</b> 6.6	<b>19,856</b> -15.1	<b>17,669</b> -11.0
<b>15. Personal savings rate</b>	<b>10.9</b>	<b>11.7</b>	<b>12.1</b>	<b>10.2</b>	<b>8.9</b>

Note: Percentage change from previous year is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO TRADE**  
(\$ millions)

**TABLE 12**

	1990	1991	1992	1993	1994
<b>1. Exports of Goods and Services</b>	<b>140,709</b>	<b>135,157</b>	<b>144,415</b>	<b>160,531</b>	<b>184,499</b>
	-0.2	-3.9	6.8	11.2	14.9
<b>2. Of Which: International</b>	<b>79,666</b>	<b>77,661</b>	<b>87,626</b>	<b>100,796</b>	<b>122,067</b>
	3.1	-2.5	12.8	15.0	21.1
<b>3. Goods</b>	<b>68,973</b>	<b>66,424</b>	<b>75,859</b>	<b>87,895</b>	<b>107,495</b>
	2.8	-3.7	14.2	15.9	22.3
<b>4. Services</b>	<b>10,693</b>	<b>11,237</b>	<b>11,767</b>	<b>12,901</b>	<b>14,572</b>
	5.4	5.1	4.7	9.6	13.0
<b>5. Of Which: Interprovincial Goods and Services</b>	<b>61,043</b>	<b>57,496</b>	<b>56,789</b>	<b>59,735</b>	<b>62,432</b>
	-4.3	-5.8	-1.2	5.2	4.5
<b>6. Imports of Goods and Services</b>	<b>124,155</b>	<b>121,441</b>	<b>128,848</b>	<b>145,280</b>	<b>166,480</b>
	-2.3	-2.2	6.1	12.8	14.6
<b>7. Trade Balance</b>	<b>16,554</b>	<b>13,716</b>	<b>15,567</b>	<b>15,251</b>	<b>18,019</b>

Note: Percentage change from previous year is given on the second line.

Source: Office of Economic Policy, Ontario Ministry of Finance

**RELATIONSHIP BETWEEN ONTARIO GROSS DOMESTIC PRODUCT  
AND ONTARIO GROSS PROVINCIAL PRODUCT**

*( $\$$  millions)*

**TABLE 13**

	1990	1991	1992	1993	1994
<b>1. Gross Domestic Product at market prices</b>	<b>277,454</b> 1.0	<b>277,851</b> 0.1	<b>282,040</b> 1.5	<b>287,651</b> 2.0	<b>302,482</b> 5.2
<b>2. Less: Investment income paid to non-residents</b>	<b>14,118</b> 5.7	<b>13,381</b> -5.2	<b>13,752</b> 2.8	<b>14,050</b> 2.2	<b>15,276</b> 8.7
<b>3. Plus: Investment income received from non-residents</b>	<b>6,674</b> 1.3	<b>6,439</b> -3.5	<b>5,912</b> -8.2	<b>6,527</b> 10.4	<b>6,987</b> 7.0
<b>4. Equals: Gross Provincial Product at market prices</b>	<b>270,009</b> 0.7	<b>270,909</b> 0.3	<b>274,200</b> 1.2	<b>280,128</b> 2.2	<b>294,194</b> 5.0

**Note:** Percentage change from previous year is given on the second line.

**Source:** Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO DEFLATATORS**

(1986 = 100)

**TABLE 14**

	1990	1991	1992	1993	1994
<b>1. Personal expenditure on consumer goods and services:</b>	<b>119.5</b>	<b>124.8</b>	<b>126.4</b>	<b>128.9</b>	<b>129.6</b>
	4.3	4.4	1.3	2.0	0.5
<b>2. Goods</b>	<b>118.1</b>	<b>122.6</b>	<b>122.9</b>	<b>124.7</b>	<b>123.6</b>
	3.9	3.9	0.2	1.4	-0.8
<b>3. Services</b>	<b>120.8</b>	<b>126.7</b>	<b>129.7</b>	<b>132.9</b>	<b>135.4</b>
	4.5	5.0	2.4	2.4	1.9
<b>4. Government expenditure on goods and services:</b>	<b>118.8</b>	<b>122.6</b>	<b>125.5</b>	<b>126.2</b>	<b>126.4</b>
	4.8	3.2	2.4	0.6	0.1
<b>5. Current expenditure</b>	<b>120.1</b>	<b>125.3</b>	<b>129.4</b>	<b>129.9</b>	<b>130.8</b>
	5.5	4.4	3.3	0.4	0.7
<b>6. Capital expenditure</b>	<b>108.7</b>	<b>102.7</b>	<b>98.0</b>	<b>96.1</b>	<b>94.3</b>
	-0.1	-5.5	-4.6	-1.9	-1.9
<b>7. Business gross fixed capital formation:</b>	<b>113.0</b>	<b>108.8</b>	<b>104.2</b>	<b>101.1</b>	<b>101.0</b>
	-1.9	-3.8	-4.2	-2.9	-0.1
<b>8. Residential construction</b>	<b>131.9</b>	<b>133.5</b>	<b>130.4</b>	<b>130.6</b>	<b>132.9</b>
	-2.4	1.2	-2.3	0.1	1.8
<b>9. Non-residential construction</b>	<b>122.4</b>	<b>118.3</b>	<b>116.8</b>	<b>118.3</b>	<b>121.4</b>
	2.3	-3.3	-1.3	1.3	2.6
<b>10. Machinery and equipment</b>	<b>95.2</b>	<b>89.0</b>	<b>82.9</b>	<b>81.3</b>	<b>81.1</b>
	-1.0	-6.5	-6.9	-2.0	-0.2
<b>11. Exports of goods and services</b>	<b>106.6</b>	<b>105.1</b>	<b>105.7</b>	<b>108.2</b>	<b>110.3</b>
	0.6	-1.3	0.5	2.4	2.0
<b>12. DEDUCT: Imports of goods and services</b>	<b>99.6</b>	<b>97.2</b>	<b>98.1</b>	<b>101.7</b>	<b>104.3</b>
	0.8	-2.5	1.0	3.7	2.5
<b>13. Value of physical change in inventories</b>	<b>115.2</b>	<b>116.1</b>	<b>112.9</b>	<b>74.7</b>	<b>72.7</b>
<b>14. Non-farm</b>	<b>112.9</b>	<b>114.7</b>	<b>116.0</b>	<b>75.6</b>	<b>105.2</b>
<b>15. Farm and grain in commercial channels</b>	<b>257.7</b>	<b>135.4</b>	<b>92.8</b>	<b>71.0</b>	<b>-53.3</b>
<b>16. Gross Domestic Product</b>	<b>121.4</b>	<b>125.6</b>	<b>126.4</b>	<b>127.3</b>	<b>126.9</b>
	2.9	3.5	0.6	0.7	-0.4
<b>17. Final Domestic Demand</b>	<b>118.1</b>	<b>121.3</b>	<b>122.3</b>	<b>123.5</b>	<b>123.7</b>
	3.2	2.7	0.8	1.0	0.2

Note: Percentage change from previous quarter is given at annual rate on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

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# Ontario Economic Accounts

INCOME AND EXPENDITURE BASED

[4th Quarter - 1995]

April 1996

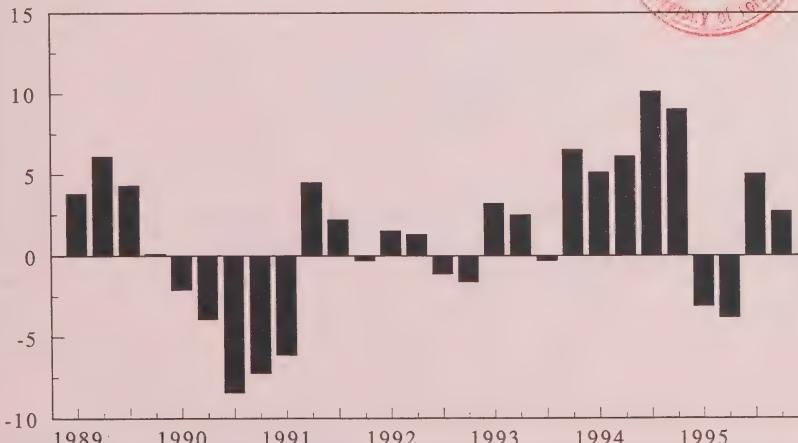
## ONTARIO ECONOMY EXPANDS IN 1995:4

In the fourth quarter of 1995 (October-December), Ontario real GDP rose at a 2.7 per cent annualized rate, following a revised gain of 5.0 per cent in the third quarter. The gain in economic activity in the fourth quarter was largely due to stronger exports, reflecting increased demand in the U.S., combined with higher Ontario business investment in machinery and equipment.

Ontario real GDP declined in the first half of the year, but output rebounded strongly in the second half bringing growth for 1995 to 2.5 per cent. The major source of growth during 1995 was increased business investment in machinery and equipment, which accounted for close to half of the total gain in economic output. Increased consumer spending and a rise in net exports also contributed to the advance in GDP. In current dollars, nominal GDP rose 3.3 per cent in 1995, reaching a level of \$312.4 billion.

### Ontario Real GDP

% change, seasonally adjusted annual rate



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This document is also available on the Internet at <http://www.gov.on.ca/fin/engdoc.html>. In addition, this location also contains a note on more recent developments in the Ontario economy, called *Ontario Economic Update*.

**O**n an industry basis, fourth quarter growth was led by the manufacturing sector, which accounted for nearly all of the gain in output. Transportation, storage and communications and the finance sector also contributed to growth. Weakness was concentrated in the service sector, particularly retail trade and government services.

Inflation remained moderate. The **GDP price deflator** edged up at a 2.1 per cent annual rate in 1995:4, about the same pace registered in the previous quarter. Domestic prices declined slightly in the quarter, while an increase in the terms of trade (the ratio of export to import prices) pushed up overall prices. The highlights of 1995:4 are presented in Table 1.

**ONTARIO ECONOMIC ACCOUNTS SUMMARY, 1995:1 - 1995:4**  
 1986\$, Seasonally Adjusted Annual Rates)

**TABLE 1**

	1995:1	1995:2	1995:3	1995:4	1995
<b>Highlights (\$1986 Billions)</b>					
Real GDP	244.1 (-3.1)	241.8 (-3.8)	244.7 (5.0)	246.4 (2.7)	244.3 (2.5)
Nominal GDP (Current \$)	309.7 (-0.4)	308.5 (-1.4)	313.9 (7.1)	317.6 (4.9)	312.4 (3.3)
GDP Deflator (1986=100)	126.8 (2.8)	127.6 (2.4)	128.2 (2.0)	128.9 (2.1)	127.9 (0.8)
Final Domestic Demand <sup>1</sup>	232.7 (-0.7)	233.1 (0.6)	232.4 (-1.1)	232.0 (-0.7)	232.5 (1.3)
Final Demand <sup>2</sup>	239.9 (-8.2)	237.2 (-4.4)	242.1 (8.6)	245.8 (6.2)	241.2 (1.8)
<b>Composition of Growth<sup>3</sup></b>					
(\$ Millions)					
Total GDP Growth	-1,937	-2,329	2,944	1,651	5,850
• Consumer Spending	-125	-216	1,147	-967	1,917
• Business Machinery and Equipment	534	1,607	-741	908	3,062
• Non-Residential Construction	-172	-355	-182	-90	-166
• Residential Construction	-773	-412	-111	-130	-1,415
• Government Spending	116	-291	-764	-152	-312
• Net Exports	-4,779	-3,015	5,617	4,079	1,073
• Inventories	3,070	310	-2,004	-1,949	1,581

**Source:**

Ontario Ministry of Finance and Statistics Canada

**Note:**

Per cent change from previous period, at annual rates, is given in brackets.

1.

Combined sum of consumer spending, government spending and business investment excluding inventory investment.

2.

Final domestic demand plus net exports.

3.

Does not sum to GDP growth, as the "statistical discrepancy" is not shown.

## FOURTH QUARTER DETAILS

**R**eal consumer spending declined in 1995:4, falling 2.7 per cent at annual rates, the third decline in the past four quarters. Consumers reduced spending on goods by 6.7 per cent at annual rates, notably on autos. Spending on services rose 1.2 per cent, down from a 3.2 per cent advance in third quarter.

- **Personal income** moderated to a 3.0 per cent gain at annual rates in 1995:4, compared to a 4.3 per cent rise in the previous quarter. Wages, salaries and supplementary labour income, the largest component of personal income, shot ahead by 6.4 per cent, the same rate recorded in the third quarter. The strong gain in labour income was the result of a 32,000 job gain in the fourth quarter, combined with a 2.9 per cent rise in average weekly earnings.
- **Personal disposable income** rose 4.0 per cent at annual rates in 1995:4, up from a 2.3 per cent gain in the previous quarter. With disposable income rising and nominal consumer spending falling, the Ontario **savings rate** jumped from 7.0 to 8.4 per cent.

**THE CONSUMER SECTOR, 1995:1 - 1995:4**  
(1986 \$ Millions, Seasonally Adjusted Annual Rates)

TABLE 2

	1995:1	1995:2	1995:3	1995:4	1995
Consumer Spending	139,003 (-0.4)	138,787 (-0.6)	139,934 (3.3)	138,966 (-2.7)	139,172 (1.4)
- Goods	68,698 (0.5)	68,083 (-3.5)	68,675 (3.5)	67,494 (-6.7)	68,238 (1.5)
- Services	70,304 (-1.2)	70,704 (2.3)	71,259 (3.2)	71,472 (1.2)	70,935 (1.3)
Personal Income (Current\$)	265,424 (2.4)	264,131 (-1.9)	266,895 (4.3)	268,854 (3.0)	266,326 (3.2)
Personal Disposable Income (Current\$)	203,262 (3.0)	201,235 (-3.9)	202,381 (2.3)	204,352 (4.0)	202,807 (2.5)
Personal Savings Rate (%)	9.1	7.6	7.0	8.4	8.0

**Source:** Ontario Ministry of Finance and Statistics Canada

**Note:** Per cent change from previous quarter, at annual rates, is given in brackets.

- The year-long slump in **residential construction** continued in 1995:4 as real activity declined by 4.9 per cent at annualized rates, the seventh drop in the past eight quarters. Weakness in the resale market and renovation activity more than outweighed higher new home construction.
  - Ontario home resales declined 13.2 per cent (quarterly rates) in 1995:4, after a 20.6 per cent surge in the third quarter, offsetting the impact of a 13.6 per cent advance in housing starts.
- Real business **investment** in plant and equipment rebounded by an annual rate of 10.4 per cent in 1995:4, following a 10.5 per cent drop recorded in the third quarter. Outlays on machinery and equipment resumed their upward trend, rising 13.9 per cent, while its share of total real GDP reached a record high of 11.3 per cent in 1995. Non-residential construction declined 6.7 per cent in the fourth quarter.
- Inventory** accumulation continued to moderate. Businesses added \$1 billion to stocks in 1995:4, down from an average of \$4 billion in the previous three quarters. Manufacturers slowed their rate of stock building for the third straight quarter.
- Corporation profits** before taxes rose 12.1 per cent at annual rates in 1995:4, moderating from a 40.4 per cent rise in the third quarter. The rise in profits was concentrated in the non-financial industries, particularly for the automotive industry, as well as food, chemicals and transportation services. Profits were down in iron and steel, printing and publishing, and in the finance sector. As a share of provincial income, profits rose from 8.4 per cent in 1994 to 9.1 per cent in 1995. However, they remain below the 10.4 per cent average share of GDP achieved in the 1980s.

**THE BUSINESS SECTOR, 1995:1 - 1995:4**  
1986 \$ Millions, Seasonally Adjusted Annual Rates)

**TABLE 3**

	1995:1	1995:2	1995:3	1995:4	1995
Residential Construction	10,792 (-24.2)	10,380 (-14.4)	10,269 (-4.2)	10,139 (-4.9)	10,395 (-12.0)
Business Plant and Equipment	32,421 (4.6)	33,674 (16.4)	32,751 (-10.5)	33,568 (10.4)	33,104 (9.6)
- Non-Residential Construction	5,803 (-11.0)	5,449 (-22.3)	5,266 (-12.7)	5,176 (-6.7)	5,424 (-3.0)
- Machinery & Equipment	26,619 (8.4)	28,225 (26.4)	27,484 (-10.1)	28,392 (13.9)	27,680 (12.4)
Business and Farm Inventory Accumulation	4,710	5,020	3,016	1,068	3,453
Pre-Tax Corporate Profits (Current \$)	27,520 (9.5)	26,906 (-8.6)	29,290 (40.4)	30,136 (12.1)	28,463 (12.1)

**Source:** Ontario Ministry of Finance and Statistics Canada

**Note:** Per cent change from previous quarter, at annual rates, is given in brackets.

**R**eal Ontario exports accelerated in the fourth quarter, rising 23.9 per cent at annual rates, after a 10.2 per cent gain in 1995:3. Real imports rose by 14.5 per cent, after a 2.9 per cent drop in the previous quarter. With exports rising faster than imports, the real trade balance jumped from \$9.7 billion in 1995:3 to \$13.8 billion in 1995:4, the largest surplus since mid-1986.

- Exports of machinery and equipment, cars, auto parts, chemicals, iron and steel and metals all rose in the fourth quarter. This was moderated by a decline in exports of trucks and forest products, notably newsprint.
- Auto exports rose in the fourth quarter despite lower car and truck sales in the U.S. market. The increase in auto shipments was matched by increased U.S. auto dealer inventories, which rose from 65 days' supply in 1995:3 to 73 days' supply in the final quarter of 1995.
- Higher imports of cars, auto parts, office machines and equipment and chemicals offset lower imports of food, textiles and clothing, industrial machinery and equipment and trucks.

**THE EXTERNAL SECTOR, 1995:1 - 1995:4**  
(1986 \$ Millions, Seasonally Adjusted Annual Rates)

TABLE 4

	1995:1	1995:2	1995:3	1995:4	1995
Total Exports	185,342 (3.1)	177,973 (-15.0)	182,335 (10.2)	192,371 (23.9)	184,505 (10.3)
Total Imports	178,201 (-15.2)	173,846 (-9.4)	172,591 (-2.9)	178,549 (14.5)	175,797 (10.1)
Balance of Trade	7,142	4,127	9,744	13,823	8,709

**Source:** Ontario Ministry of Finance and Statistics Canada

**Note:** Per cent change from previous quarter, at annual rates, is given in brackets.

Total real government spending in Ontario by all levels of government (federal, provincial and local) declined 1.2 per cent in 1995:4.

- Government **current spending** on goods and services, in constant dollars, continued its downward trend, falling 2.2 per cent at annual rates in 1995:4, following a 7.1 per cent drop in the previous quarter. In the fourth quarter, the share of real government current spending in total GDP fell to its lowest level in over six years.
- Real government **capital investment** rose at a 5.3 per cent annual rate in 1995:4, after rising by 2.0 per cent in 1995:3.

**THE GOVERNMENT SECTOR, 1995:1 - 1995:4**  
1986 \$ Millions, Seasonally Adjusted Annual Rates)

**TABLE 5**

	1995:1	1995:2	1995:3	1995:4	1995
total Government Expenditure*	50,506 (0.9)	50,216 (-2.3)	49,452 (-.9)	49,300 (-1.2)	49,869 (-.6)
Current Expenditure	43,840 (2.8)	43,779 (-0.6)	42,984 (-7.1)	42,748 (-2.2)	43,338 (-1.8)
Capital Investment	6,667 (-10.2)	6,437 (-13.1)	6,468 (2.0)	6,552 (5.3)	6,531 (8.1)

**source:** Ontario Ministry of Finance and Statistics Canada

**note:** Per cent change from previous quarter, at annual rates, is given in brackets.  
Includes federal, provincial and local levels

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The Ontario Economic Accounts is also available in French.

**NOTE: TOTALS MAY NOT ADD EXACTLY DUE TO ROUNDING.**

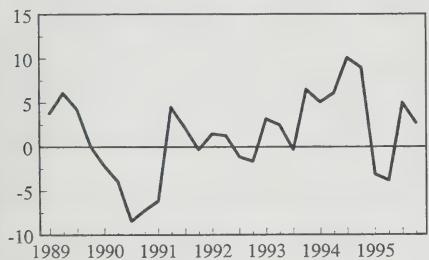
# Ontario Economic Accounts Summary

## (1989:1 - 1995:4)

Gross Domestic Product

(1986 \$)

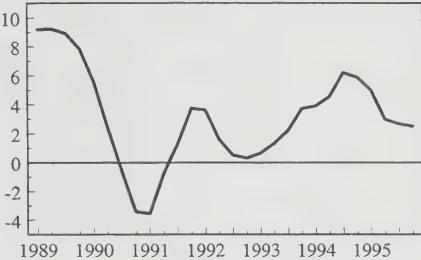
% change, quarter-over-quarter (saar)



Gross Domestic Product

(Current \$)

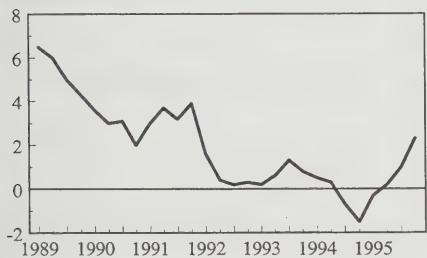
% change, year-over-year



GDP Deflator

(1986 = 100)

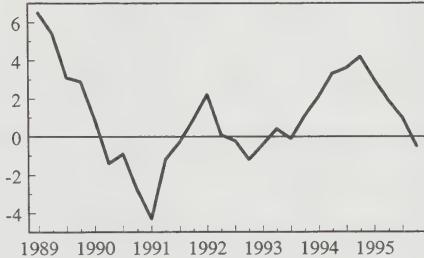
% change, year-over-year



Final Domestic Demand

(1986 \$)

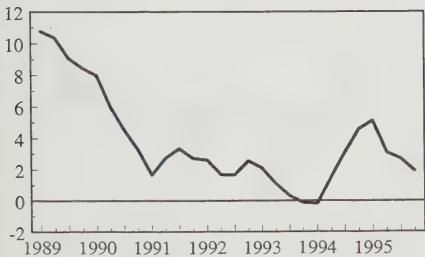
% change, year-over-year



Personal Income

(Current \$)

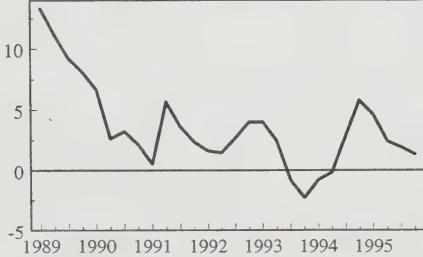
% change, year-over-year



Personal Disposable Income

(Current \$)

% change, year-over-year



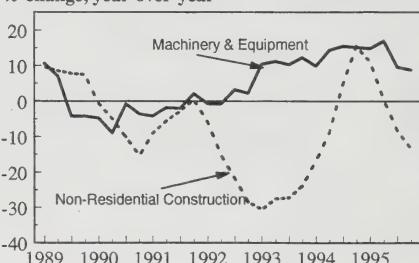
# Ontario Economic Accounts Summary

## (1989:1 - 1995:4)

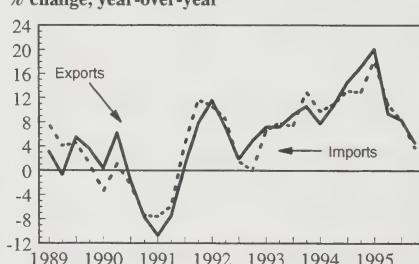
**Consumer Spending**  
(1986 \$)  
% change, year-over-year



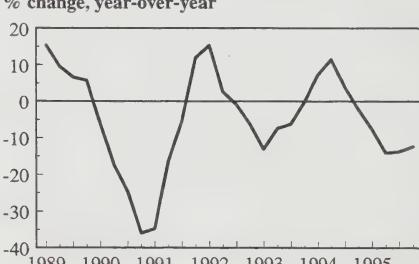
**Business Plant & Equipment**  
(1986 \$)  
% change, year-over-year



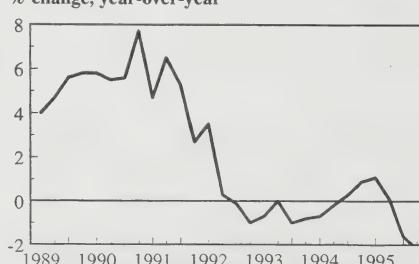
**Trade**  
(1986 \$)  
% change, year-over-year



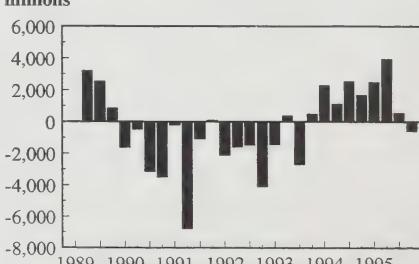
**Residential Construction**  
(1986 \$)  
% change, year-over-year



**Government Spending**  
(1986 \$)  
% change, year-over-year



**Change in Inventories**  
(1986 \$)  
millions



**ONTARIO GROSS DOMESTIC PRODUCT, (INCOME BASED)**

(millions, seasonally adjusted at annual rates)

**TABLE 1**

	1994					1995				
	I	II	III	IV	YEAR	I	II	III	IV	YEAR
Vages, salaries, and supplementary labour income	165,392	167,644	169,871	172,678	168,896	172,805	171,349	174,005	176,713	173,718
	0.4	5.6	5.4	6.8	2.6	0.3	-3.3	6.3	6.4	2.9
Military Pay and allowances	1,414	1,411	1,346	1,319	1,373	1,304	1,314	1,232	1,222	1,268
	3.6	-0.9	-17.3	-7.6	-3.0	-4.6	3.1	-22.7	-3.2	-7.6
Corporation profits before taxes	23,882	25,255	25,485	26,902	25,381	27,520	26,906	29,290	30,136	28,463
	35.7	25.1	3.7	24.2	36.9	9.5	-8.6	40.4	12.1	12.1
Interest and miscellaneous investment income	14,581	15,885	16,601	16,166	15,808	16,954	15,946	15,496	15,224	15,905
	19.1	40.8	19.3	-10.1	8.3	21.0	-21.7	-10.8	-6.8	0.6
Accrued net income of farm operators from farm production	250	311	280	212	263	256	366	378	466	367
	2053.4	140.5	-34.3	-67.3	94.5	113.8	317.8	13.8	131.0	39.3
Net income of non-farm unincorporated business including rent	16,716	16,800	16,877	16,838	16,808	16,908	16,948	17,032	17,148	17,009
	-4.5	2.0	1.9	-0.9	2.7	1.7	0.9	-2.0	2.8	1.2
Inventory valuation adjustment	-2,174	-2,941	-1,748	-2,132	-2,249	-3,856	-1,564	-1,072	-678	-1,793
Net Domestic Income at factor cost	220,061	224,365	228,712	231,983	226,280	231,891	231,266	236,361	240,231	234,937
	2.2	8.1	8.0	5.8	5.4	-0.2	-1.1	9.1	6.7	3.8
Indirect taxes less subsidies	39,793	39,902	41,069	41,865	40,657	41,452	41,552	41,644	41,662	41,578
	5.0	1.1	12.2	8.0	5.4	-3.9	1.0	0.9	0.2	2.3
Capital consumption allowances and miscellaneous valuation adjustments	34,932	35,243	35,853	36,150	35,545	36,314	35,714	35,854	35,716	35,900
	4.6	3.6	7.1	3.4	3.2	1.8	-6.4	1.6	-1.5	1.0
Gross Domestic Product at market prices	294,786	299,510	305,634	309,998	302,482	309,657	308,532	313,859	317,609	312,414
	2.9	6.6	8.4	5.8	5.2	-0.4	-1.4	7.1	4.9	3.3

e: Percentage change from previous quarter is given on the second line.

ources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT, (EXPENDITURE BASED)**

(\$ millions, seasonally adjusted at annual rates)

**TABLE**

	1994					1995				
	I	II	III	IV	YEAR	I	II	III	IV	YE
1. Personal expenditure on consumer goods and services:	175,871	176,985	178,055	180,762	177,919	181,986	182,872	185,084	184,182	183,
	3.3	2.6	2.4	6.2	3.5	2.7	2.0	4.9	-1.9	
2. Goods	82,221	82,417	82,917	84,804	83,090	85,598	85,512	86,462	84,908	85,
	3.9	1.0	2.4	9.4	3.4	3.8	-0.4	4.5	-7.0	
3. Services	93,650	94,568	95,138	95,958	94,829	96,388	97,360	98,622	99,274	97,
	2.8	4.0	2.4	3.5	3.5	1.8	4.1	5.3	2.7	
4. Government expenditure on goods and services:	63,151	63,432	63,421	63,685	63,422	63,802	63,526	62,604	62,498	63,
	0.5	1.8	-0.1	1.7	0.2	0.7	-1.7	-5.7	-0.7	
5. Current expenditure	58,061	58,002	57,566	57,303	57,733	57,562	57,482	56,524	56,470	57,
	-1.1	-0.4	-3.0	-1.8	-0.5	1.8	-0.6	-6.5	-0.4	
6. Capital expenditure	5,090	5,430	5,855	6,382	5,689	6,240	6,044	6,080	6,028	6,
	20.5	29.6	35.2	41.2	8.2	-8.6	-12.0	2.4	-3.4	
7. Business gross fixed capital formation:	40,971	42,424	42,931	43,440	42,441	42,948	43,728	42,430	42,530	42,
	4.1	15.0	4.9	4.8	8.7	-4.5	7.5	-11.4	1.0	
8. Residential construction	15,462	16,085	15,784	15,449	15,695	14,310	13,836	13,976	13,668	13,
	-1.0	17.1	-7.3	-8.2	6.8	-26.4	-12.6	4.1	-8.5	
9. Non-residential construction	6,245	6,577	7,010	7,332	6,791	7,236	6,860	6,714	6,688	6,
	6.9	23.0	29.1	19.7	0.4	-5.1	-19.2	-8.2	-1.5	
10. Machinery and equipment	19,264	19,762	20,137	20,659	19,955	21,402	23,032	21,740	22,174	22,
	7.4	10.8	7.8	10.8	13.5	15.2	34.1	-20.6	8.2	
11. Exports of goods and services	168,694	180,888	186,646	201,766	184,499	206,842	198,262	201,115	212,378	204,
	-4.9	32.2	13.4	36.6	14.9	10.4	-15.6	5.9	24.4	
12. DEDUCT: Imports of goods and services	155,121	164,731	166,838	179,229	166,480	190,140	184,451	180,530	185,155	185,
	-1.3	27.2	5.2	33.2	14.6	26.7	-11.4	-8.2	10.6	
13. Value of physical change in inventories:	1,846	1,109	1,711	782	1,362	4,680	4,852	3,394	1,324	3,
14. Non-farm	1,934	1,221	1,936	1,174	1,566	4,644	4,658	3,172	1,240	3,
15. Farm and grain in commercial channels	-88	-112	-225	-392	-204	36	194	222	84	
16. Statistical Discrepancy	-626	-596	-292	-1,208	-681	-460	-257	-238	-148	
17. Gross Domestic Product at market prices	294,786	299,510	305,634	309,998	302,482	309,657	308,532	313,859	317,609	312,
	2.9	6.6	8.4	5.8	5.2	-0.4	-1.4	7.1	4.9	
18. Gross Domestic Product in constant (1986) dollars	231,660	235,111	240,831	246,065	238,417	244,128	241,799	244,744	246,394	244,
	5.1	6.1	10.1	9.0	5.5	-3.1	-3.8	5.0	2.7	

Note: Percentage change from previous quarter is given at annual rate on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

## ONTARIO GROSS DOMESTIC PRODUCT AT 1986 PRICES

(millions, seasonally adjusted at annual rates)

TABLE 3

	1994					1995					
	I	II	III	IV	YEAR	I	II	III	IV	YEAR	
Personal expenditure on consumer goods and services	135,879	136,821	137,193	139,128	137,255	139,003	138,787	139,934	138,966	139,172	1.4
Goods	4.9	2.8	1.1	5.8	2.9	-0.4	-0.6	3.3	-2.7	1.4	
Services	66,148	66,973	67,084	68,612	67,204	68,698	68,083	68,675	67,494	68,238	
	8.6	5.1	0.7	9.4	4.2	0.5	-3.5	3.5	-6.7	1.5	
Services	69,731	69,848	70,109	70,516	70,051	70,304	70,704	71,259	71,472	70,935	
	1.5	0.7	1.5	2.3	1.6	-1.2	2.3	3.2	1.2	1.3	
Government expenditure on goods and services:	49,945	50,143	50,245	50,390	50,181	50,506	50,216	49,452	49,300	49,869	
	0.2	1.6	0.8	1.2	0.1	0.9	-2.3	-5.9	-1.2	-0.6	
Current expenditure	44,593	44,418	44,010	43,543	44,141	43,840	43,779	42,984	42,748	43,338	
	-2.3	-1.6	-3.6	-4.2	-1.2	2.8	-0.6	-7.1	-2.2	-1.8	
Capital expenditure	5,352	5,725	6,235	6,847	6,040	6,667	6,437	6,468	6,552	6,531	
	23.7	30.9	40.7	45.5	10.4	-10.2	-13.1	2.0	5.3	8.1	
Business gross fixed capital formation:	40,091	41,637	42,722	43,624	42,018	43,213	44,054	43,019	43,707	43,498	
	4.8	16.3	10.8	8.7	8.9	-3.7	8.0	-9.1	6.5	3.5	
Residential construction	11,687	12,087	11,903	11,564	11,810	10,792	10,380	10,269	10,139	10,395	
	-4.2	14.4	-5.9	-10.9	5.0	-24.2	-14.4	-4.2	-4.9	-12.0	
Non-residential construction	5,222	5,421	5,742	5,976	5,590	5,803	5,449	5,266	5,176	5,424	
	3.8	16.1	25.9	17.3	-2.2	-11.0	-22.3	-12.7	-6.7	-3.0	
Machinery and equipment	23,182	24,129	25,077	26,084	24,618	26,619	28,225	27,484	28,392	27,680	
	10.0	17.4	16.7	17.1	13.8	8.4	26.4	-10.1	13.9	12.4	
Exports of goods and services	154,340	162,669	168,150	183,925	167,271	185,342	177,973	182,335	192,371	184,505	
	-6.7	23.4	14.2	43.1	12.7	3.1	-15.0	10.2	23.9	10.3	
Deduct: Imports of goods and services	150,603	156,737	159,197	172,005	159,635	178,201	173,846	172,591	178,549	175,797	
	-4.4	17.3	6.4	36.3	11.8	15.2	-9.4	-2.9	14.5	10.1	
Value of physical change in inventories:	2,253	1,101	2,497	1,641	1,873	4,710	5,020	3,016	1,068	3,453	
Non-farm	1,285	1,349	2,000	1,324	1,490	4,720	4,893	2,670	979	3,315	
Farm and grain in commercial channels	967	-248	497	317	383	-10	128	346	88	138	
Statistical Discrepancy	-245	-523	-779	-638	-546	-446	-404	-422	-470	-436	
Gross Domestic Product	231,660	235,111	240,831	246,065	238,417	244,128	241,799	244,744	246,394	244,266	
	5.1	6.1	10.1	9.0	5.5	-3.1	-3.8	5.0	2.7	2.5	
Final Domestic Demand	225,915	228,601	230,161	233,142	229,455	232,722	233,056	232,405	231,974	232,539	
	3.8	4.8	2.8	5.3	3.3	-0.7	0.6	-1.1	-0.7	1.3	

Notes: Percentage change from previous quarter is given at annual rate on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**SOURCES AND DISPOSITION OF ONTARIO PERSONAL INCOME**

(\$ millions, seasonally adjusted at annual rates)

TABLE

	1994					1995				
	I	II	III	IV	YEAR	I	II	III	IV	YEAR
1. Wages, salaries, and supplementary labour income	162,792	164,925	167,037	169,723	166,119	169,848	168,417	171,027	173,688	170,721
	0.3	5.3	5.2	6.6	2.6	0.3	-3.3	6.3	6.4	2.7
2. Add: Military pay and allowances	1,414	1,411	1,346	1,319	1,373	1,304	1,314	1,232	1,222	1,222
	3.6	-0.9	-17.3	-7.6	-3.0	-4.6	3.1	-22.7	-3.2	7.7
3. Net income of farm operators from farm production	141	208	354	470	293	420	594	628	706	510
	199.0	367.9	740.0	209.2	29.9	-36.1	300.1	24.9	59.7	101.0
4. Net income of non-farm unincorporated business including rent	16,716	16,800	16,877	16,838	16,808	16,908	16,948	17,032	17,148	17,028
	-4.5	2.0	1.9	-0.9	2.7	1.7	0.9	2.0	2.8	2.8
5. Interest, dividends, and miscellaneous investment income	30,871	31,747	32,939	33,758	32,329	35,046	35,512	35,424	34,970	35,211
	1.5	11.8	15.9	10.3	1.8	16.2	5.4	-1.0	-5.0	1.1
6. Current transfers from government, corporations and non-residents	40,606	41,008	41,282	41,768	41,166	41,898	41,346	41,552	41,120	41,414
	1.5	4.0	2.7	4.8	1.1	1.2	-5.2	2.0	-4.1	1.1
7. Equals: Personal income	252,540	256,099	259,835	263,876	258,088	265,424	264,131	266,895	268,854	266,311
	0.4	5.8	6.0	6.4	2.2	2.4	-1.9	4.3	3.0	2.7
8. Deduct: Personal direct taxes	57,154	58,570	60,028	60,959	59,178	60,928	61,684	63,288	63,278	62,221
	-19.5	10.3	10.3	6.3	3.8	-0.2	5.1	10.8	-0.1	1.1
9. Other current transfers to government	972	1,050	1,115	1,171	1,077	1,234	1,212	1,226	1,224	1,224
	-57.9	36.6	26.8	21.9	-13.9	23.2	-6.9	4.7	-0.7	1.1
10. Equals: Personal disposable income	194,414	196,479	198,692	201,746	197,833	203,262	201,235	202,381	204,352	202,876
	7.8	4.3	4.6	6.3	1.9	3.0	-3.9	2.3	4.0	1.1
11. Deduct: Personal expenditure on consumer goods and services	175,871	176,985	178,055	180,762	177,919	181,986	182,872	185,084	184,182	183,510
	3.3	2.6	2.4	6.2	3.5	2.7	2.0	4.9	-1.9	1.1
12. Current transfers to corporations	1,695	1,691	2,030	1,998	1,854	2,272	2,596	2,706	2,690	2,530
	-33.4	-0.8	107.7	-6.1	-5.9	67.1	70.4	18.1	-2.3	3.0
13. Current transfers to non-residents	386	389	395	398	392	414	414	414	414	414
	24.4	2.6	6.4	2.6	6.5	17.6	0.0	0.0	0.0	0.0
14. Equals: Personal saving	16,462	17,414	18,212	18,588	17,669	18,590	15,353	14,177	17,066	16,214
	87.0	25.2	19.7	8.5	-11.0	0.0	-53.5	-27.3	110.0	1.1
15. Personal savings rate	8.5	8.9	9.2	9.2	8.9	9.1	7.6	7.0	8.4	8.4

Note: Percentage change from previous quarter is given at annual rate on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

## ONTARIO TRADE

(\$ millions, seasonally adjusted at annual rates)

TABLE 5

	1994				1995					
	I	II	III	IV	YEAR	I	II	III	IV	YEAR
1. Exports of Goods and Services	168,694	180,888	186,646	201,766	184,499	206,842	198,262	201,115	212,378	204,649
2. Of Which: International	-4.9	32.2	13.4	36.6	14.9	10.4	-15.6	5.9	24.4	10.9
3. Goods	108,046	118,954	123,690	137,576	122,067	142,604	134,762	136,118	145,494	139,745
4. Services	94,282	104,418	109,104	122,174	107,495	126,820	119,410	120,704	129,224	124,040
5. Of Which: Interprovincial Goods and Services	13,764	14,536	14,586	15,402	14,572	15,784	15,352	15,414	16,270	15,705
6. Imports of Goods and Services	60,648	61,934	62,956	64,190	62,432	64,238	63,500	64,997	66,884	64,905
7. Trade Balance	155,121	164,731	166,838	179,229	166,480	190,140	184,451	180,530	185,155	185,069
	-1.3	27.2	5.2	33.2	14.6	26.7	-11.4	-8.2	10.6	11.2
	13,573	16,157	19,808	22,537	18,079	16,702	13,811	20,585	27,223	19,580

Note: Percentage change from previous quarter is given at annual rate on the second line.

Source: Office of Economic Policy, Ontario Ministry of Finance

**RELATIONSHIP BETWEEN ONTARIO GROSS DOMESTIC PRODUCT  
AND ONTARIO GROSS PROVINCIAL PRODUCT**

(\$ millions, seasonally adjusted at annual rates)

TABLE 6

		1994				1995					
		I	II	III	IV	YEAR	I	II	III	IV	YEAR
<b>1. Gross Domestic Product at market prices</b>		294,786	299,510	305,634	309,998	302,482	309,657	308,532	313,859	317,609	312,414
		2.9	6.6	8.4	5.8	5.2	-0.4	-1.4	7.1	4.9	3.3
<b>2. Less: Investment income paid to non-residents</b>		14,653	16,231	15,204	15,014	15,276	16,937	16,585	16,555	16,611	16,672
		2.2	50.5	-23.0	-4.9	8.7	62.0	-8.1	-0.7	1.4	9.1
<b>3. Plus: Investment income received from non-residents</b>		6,074	7,011	6,965	7,899	6,987	7,934	8,301	8,323	8,373	8,233
		-27.0	77.5	-2.6	65.4	7.0	1.8	19.8	1.1	2.4	17.8
<b>4. Equals: Gross Provincial Product at market prices</b>		286,207	290,290	297,395	302,883	294,194	300,654	300,248	305,628	309,371	303,975
		2.1	5.8	10.2	7.6	5.0	-2.9	-0.5	7.4	5.0	3.3

Note: Percentage change from previous quarter is given at annual rate on the second line.

Source: Office of Economic Policy, Ontario Ministry of Finance

## ONTARIO DEFLATORS

(1986 = 100)

TABLE 7

	1994					1995				
	I	II	III	IV	YEAR	I	II	III	IV	YEAR
Personal expenditure on consumer goods and services	129.4 -1.6	129.4 -0.2	129.8 1.3	129.9 0.4	129.6 0.5	130.9 3.1	131.8 2.6	132.3 1.5	132.5 0.8	131.9 1.7
Goods	124.3 -4.4	123.1 -3.9	123.6 1.8	123.6 0.0	123.6 -0.8	124.6 3.3	125.6 3.2	125.9 1.0	125.8 -0.3	125.5 1.5
Services	134.3 1.2	135.4 3.3	135.7 0.9	136.1 1.1	135.4 1.9	137.1 3.0	137.7 1.8	138.4 2.0	138.9 1.5	138.0 2.0
Government expenditure on goods and services:	126.4 0.3	126.5 0.2	126.2 -0.9	126.4 0.5	126.4 0.1	126.3 -0.2	126.5 0.6	126.6 0.3	126.8 0.6	126.5 0.1
Current expenditure	130.2 1.2	130.6 1.2	130.8 0.7	131.6 2.5	130.8 0.7	131.3 -0.9	131.3 0.0	131.5 0.6	132.1 1.8	131.6 0.6
Capital expenditure	95.1 -2.5	94.9 -1.0	93.9 -3.9	93.2 -2.9	94.3 -1.9	93.6 1.7	93.9 1.3	94.0 0.4	92.0 -8.2	93.4 -0.9
Business gross fixed capital formation:	102.2 -0.7	101.9 -1.2	100.5 -5.4	99.6 -3.6	101.0 -0.1	99.4 -0.8	99.3 -0.5	98.6 -2.5	97.3 -5.3	98.6 -2.4
Residential construction	132.3 3.4	133.1 2.4	132.6 -1.4	133.6 3.1	132.9 1.8	132.6 -3.0	133.3 2.1	136.1 8.7	134.8 -3.8	134.2 1.0
Non-residential construction	119.6 3.1	121.3 5.9	122.1 2.6	122.7 2.0	121.4 2.6	124.7 6.7	125.9 3.9	127.5 5.2	129.2 5.4	126.8 4.4
Machinery and equipment	83.1 -2.4	81.9 -5.7	80.3 -7.6	79.2 -5.4	81.1 -0.2	80.4 6.2	81.6 6.1	79.1 -11.7	78.1 -5.0	79.8 -1.6
Exports of goods and services	109.3 1.9	111.2 7.1	111.0 -0.7	109.7 -4.6	110.3 2.0	111.6 7.1	111.4 -0.7	110.3 -3.9	110.4 0.4	110.9 0.6
DEDUCT: Imports of goods and services	103.0 3.2	105.1 8.4	104.8 -1.1	104.2 -2.3	104.3 2.5	106.7 9.9	106.1 -2.2	104.6 -5.5	103.7 -3.4	105.3 1.0
Value of physical change in inventories:	81.9	100.7	68.5	47.7	72.7	99.3	96.6	112.5	124.0	103.2
Non-farm	150.5	90.5	96.8	88.7	105.2	98.4	95.2	118.8	126.6	103.4
Farm and grain in commercial channels	-9.1	45.2	-45.3	-123.6	-53.3	-370.2	152.1	64.1	95.3	97.0
Gross Domestic Product	127.2 -2.1	127.4 0.4	126.9 -1.5	126.0 -2.9	126.9 -0.4	126.8 2.8	127.6 2.4	128.2 2.0	128.9 2.1	127.9 0.8
Final Domestic Demand	123.9 -1.0	123.7 -0.7	123.6 -0.5	123.5 -0.3	123.7 0.2	124.1 1.9	124.5 1.4	124.8 1.1	124.7 -0.5	124.5 0.7

Note: Percentage change from previous quarter is given at annual rate on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT, (INCOME BASED)**  
(\$ millions)

**TABLE 8**

	1990	1991	1992	1993	1994	1995
1. Wages, salaries, and supplementary labour income	157,763 3.3	160,755 1.9	163,477 1.7	164,635 0.7	168,896 2.6	173,718 2.9
2. Military pay and allowances	1,278 7.4	1,338 4.7	1,419 6.0	1,415 -0.2	1,373 -3.0	1,268 -7.6
3. Corporation profits before taxes	19,745 -28.3	16,092 -18.5	16,129 0.2	18,538 14.9	25,381 36.9	28,463 12.1
4. Interest and miscellaneous investment income	16,766 8.9	15,412 -8.1	16,023 4.0	14,591 -8.9	15,808 8.3	15,905 0.6
5. Accrued net income of farm operators from farm production	352 142.8	229 -34.9	221 -3.6	135 -38.7	263 94.5	367 39.3
6. Net income of non-farm unincorporated business including rent	14,472 -0.5	14,873 2.8	15,268 2.7	16,373 7.2	16,808 2.7	17,009 1.2
7. Inventory valuation adjustment	-19	874	-1,093	-1,046	-2,249	-1,793
8. Net Domestic Income at factor cost	210,357 -0.3	209,573 -0.4	211,444 0.9	214,641 1.5	226,280 5.4	234,937 3.8
9. Indirect taxes less subsidies	36,597 -1.2	35,999 -1.6	37,242 3.5	38,578 3.6	40,657 5.4	41,578 2.3
10. Capital consumption allowances and miscellaneous valuation adjustments	30,500 13.5	32,279 5.8	33,354 3.3	34,432 3.2	35,545 3.2	35,900 1.0
11. Gross Domestic Product at market prices	277,454 1.0	277,851 0.1	282,040 1.5	287,651 2.0	302,482 5.2	312,414 3.3

Note: Percentage change from previous year is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT, (EXPENDITURE BASED)**

(\$ millions)

**TABLE 9**

	<b>1990</b>	<b>1991</b>	<b>1992</b>	<b>1993</b>	<b>1994</b>	<b>1995</b>
<b>1. Personal expenditure on consumer goods and services:</b>	<b>158,584</b>	<b>162,526</b>	<b>166,445</b>	<b>171,977</b>	<b>177,919</b>	<b>183,531</b>
	4.4	2.5	2.4	3.3	3.5	3.2
<b>2. Goods</b>	<b>77,486</b>	<b>77,446</b>	<b>78,197</b>	<b>80,379</b>	<b>83,090</b>	<b>85,620</b>
	1.0	-0.1	1.0	2.8	3.4	3.0
<b>3. Services</b>	<b>81,098</b>	<b>85,080</b>	<b>88,248</b>	<b>91,598</b>	<b>94,829</b>	<b>97,911</b>
	7.9	4.9	3.7	3.8	3.5	3.3
<b>4. Government expenditure on goods and services:</b>	<b>56,843</b>	<b>61,490</b>	<b>63,351</b>	<b>63,308</b>	<b>63,422</b>	<b>63,108</b>
	11.2	8.2	3.0	-0.1	0.2	-0.5
<b>5. Current expenditure</b>	<b>50,958</b>	<b>55,332</b>	<b>57,284</b>	<b>58,049</b>	<b>57,733</b>	<b>57,010</b>
	10.5	8.6	3.5	1.3	-0.5	-1.3
<b>6. Capital expenditure</b>	<b>5,885</b>	<b>6,158</b>	<b>6,067</b>	<b>5,259</b>	<b>5,689</b>	<b>6,098</b>
	18.0	4.6	-1.5	-13.3	8.2	7.2
<b>7. Business gross fixed capital formation:</b>	<b>48,928</b>	<b>44,237</b>	<b>41,083</b>	<b>39,041</b>	<b>42,441</b>	<b>42,909</b>
	-12.8	-9.6	-7.1	-5.0	8.7	1.1
<b>8. Residential construction</b>	<b>18,013</b>	<b>15,739</b>	<b>15,749</b>	<b>14,694</b>	<b>15,695</b>	<b>13,947</b>
	-22.8	-12.6	0.1	-6.7	6.8	-11.1
<b>9. Non-residential construction</b>	<b>12,273</b>	<b>11,342</b>	<b>9,205</b>	<b>6,762</b>	<b>6,791</b>	<b>6,875</b>
	-5.8	-7.6	-18.8	-26.5	0.4	1.2
<b>10. Machinery and equipment</b>	<b>18,642</b>	<b>17,156</b>	<b>16,129</b>	<b>17,585</b>	<b>19,955</b>	<b>22,087</b>
	-5.5	-8.0	-6.0	9.0	13.5	10.7
<b>11. Exports of goods and services</b>	<b>140,709</b>	<b>135,157</b>	<b>144,415</b>	<b>160,531</b>	<b>184,499</b>	<b>204,649</b>
	-0.2	-3.9	6.8	11.2	14.9	10.9
<b>12. DEDUCT: Imports of goods and services</b>	<b>124,155</b>	<b>121,441</b>	<b>128,848</b>	<b>145,280</b>	<b>166,480</b>	<b>185,069</b>
	-2.3	-2.2	6.1	12.8	14.6	11.2
<b>13. Value of physical change in inventories:</b>	<b>-2,494</b>	<b>-2,305</b>	<b>-2,597</b>	<b>-618</b>	<b>1,362</b>	<b>3,563</b>
<b>14. Non-farm</b>	<b>-2,409</b>	<b>-2,206</b>	<b>-2,313</b>	<b>-516</b>	<b>1,566</b>	<b>3,429</b>
<b>15. Farm and grain in commercial channels</b>	<b>-86</b>	<b>-99</b>	<b>-284</b>	<b>-102</b>	<b>-204</b>	<b>134</b>
<b>16. Statistical Discrepancy</b>	<b>-960</b>	<b>-1,813</b>	<b>-1,808</b>	<b>-1,308</b>	<b>-681</b>	<b>-276</b>
<b>17. Gross Domestic Product at market prices</b>	<b>277,454</b>	<b>277,851</b>	<b>282,040</b>	<b>287,651</b>	<b>302,482</b>	<b>312,414</b>
	1.0	0.1	1.5	2.0	5.2	3.3
<b>18. Gross Domestic Product in constant (1986) dollars</b>	<b>228,501</b>	<b>221,165</b>	<b>223,083</b>	<b>225,895</b>	<b>238,417</b>	<b>244,266</b>
	-1.9	-3.2	0.9	1.3	5.5	2.5

Note: Percentage change from previous year is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT AT 1986 PRICES**  
(\$ millions)

**TABLE 10**

	1990	1991	1992	1993	1994	1995
1. Personal expenditure on consumer goods and services:	132,774 0.2	130,269 -1.9	131,656 1.1	133,399 1.3	137,255 2.9	139,172 1.4
2. Goods	65,622 -2.8	63,143 -3.8	63,634 0.8	64,478 1.3	67,204 4.2	68,238 1.5
3. Services	67,152 3.3	67,126 0.0	68,022 1.3	68,921 1.3	70,051 1.6	70,935 1.3
4. Government expenditure on goods and services:	47,855 6.1	50,147 4.8	50,470 0.6	50,148 -0.6	50,181 0.1	49,869 -0.6
5. Current expenditure	42,435 4.8	44,151 4.0	44,277 0.3	44,676 0.9	44,141 -1.2	43,338 -1.8
6. Capital expenditure	5,420 18.3	5,996 10.6	6,193 3.3	5,472 -11.6	6,040 10.4	6,531 8.1
7. Business gross fixed capital formation:	43,246 -11.2	40,670 -6.0	39,434 -3.0	38,600 -2.1	42,018 8.9	43,498 3.5
8. Residential construction	13,637 -21.1	11,800 -13.5	12,075 2.3	11,253 -6.8	11,810 5.0	10,395 -12.0
9. Non-residential construction	10,031 -7.8	9,587 -4.4	7,885 -17.8	5,716 -27.5	5,590 -2.2	5,424 -3.0
10. Machinery and equipment	19,578 -4.6	19,283 -1.5	19,474 1.0	21,631 11.1	24,618 13.8	27,680 12.4
11. Exports of goods and services	132,124 -0.8	128,640 -2.6	136,665 6.2	148,414 8.6	167,271 12.7	184,505 10.3
12. DEDUCT: Imports of goods and services	124,560 -3.1	125,112 0.4	131,310 5.0	142,833 8.8	159,635 11.8	175,797 10.1
13. Value of physical change in inventories	-2,166	-1,990	-2,300	-827	1,873	3,453
14. Non-farm	-2,133	-1,923	-1,994	-684	1,490	3,315
15. Farm and grain in commercial channels	-33	-67	-306	-143	383	138
16. Statistical Discrepancy	-772	-1,459	-1,532	-1,006	-546	-436
17. Gross Domestic Product	228,501 -1.9	221,165 -3.2	223,083 0.9	225,895 1.3	238,417 5.5	244,266 2.5
18. Final Domestic Demand (1986) dollars	223,875 -1.1	221,087 -1.2	221,560 0.2	222,146 0.3	229,455 3.3	232,539 1.3

Notes: Percentage change from previous year is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**SOURCES AND DISPOSITION OF ONTARIO PERSONAL INCOME**

(\$ millions)

TABLE 11

	1990	1991	1992	1993	1994	1995
<b>1. Wages, salaries, and supplementary labour income</b>	<b>155,163</b>	<b>158,111</b>	<b>160,788</b>	<b>161,927</b>	<b>166,119</b>	<b>170,745</b>
2.6	1.9	1.7	0.7	2.6	2.8	
<b>2. Add: Military pay and allowances</b>	<b>1,278</b>	<b>1,338</b>	<b>1,419</b>	<b>1,415</b>	<b>1,373</b>	<b>1,268</b>
7.4	4.7	6.0	-0.2	-3.0	-7.6	
<b>3. Net income of farm operators from farm production</b>	<b>315</b>	<b>92</b>	<b>261</b>	<b>226</b>	<b>293</b>	<b>587</b>
29.9	-70.8	183.9	-13.5	29.9	100.1	
<b>4. Net income of non-farm unincorporated business including rent</b>	<b>14,472</b>	<b>14,873</b>	<b>15,268</b>	<b>16,373</b>	<b>16,808</b>	<b>17,009</b>
-0.5	2.8	2.7	7.2	2.7	1.2	
<b>5. Interest, dividends, and miscellaneous investment income</b>	<b>37,840</b>	<b>35,300</b>	<b>33,429</b>	<b>31,757</b>	<b>32,329</b>	<b>35,238</b>
13.3	-6.7	-5.3	-5.0	1.8	9.0	
<b>6. Current transfers from government, corporations and non-residents</b>	<b>29,969</b>	<b>35,423</b>	<b>39,167</b>	<b>40,736</b>	<b>41,166</b>	<b>41,479</b>
14.5	18.2	10.6	4.0	1.1	0.8	
<b>7. Equals: Personal income</b>	<b>239,036</b>	<b>245,137</b>	<b>250,332</b>	<b>252,434</b>	<b>258,088</b>	<b>266,326</b>
5.4	2.6	2.1	0.8	2.2	3.2	
<b>8. Deduct: Personal direct taxes</b>	<b>55,370</b>	<b>56,111</b>	<b>56,727</b>	<b>57,011</b>	<b>59,178</b>	<b>62,295</b>
15.9	1.3	1.1	0.5	3.8	5.3	
<b>9. Other current transfers to government</b>	<b>917</b>	<b>924</b>	<b>952</b>	<b>1,251</b>	<b>1,077</b>	<b>1,224</b>
-65.0	0.8	3.0	31.4	-13.9	13.6	
<b>10. Equals: Personal disposable income</b>	<b>182,749</b>	<b>188,102</b>	<b>192,653</b>	<b>194,172</b>	<b>197,833</b>	<b>202,807</b>
3.7	2.9	2.4	0.8	1.9	2.5	
<b>11. Deduct: Personal expenditure on consumer goods and services</b>	<b>158,584</b>	<b>162,526</b>	<b>166,445</b>	<b>171,977</b>	<b>177,918</b>	<b>183,531</b>
4.4	2.5	2.4	3.3	3.5	3.2	
<b>12. Current transfers to corporations</b>	<b>3,885</b>	<b>3,347</b>	<b>2,470</b>	<b>1,971</b>	<b>1,854</b>	<b>2,566</b>
9.2	-13.9	-26.2	-20.2	-5.9	38.4	
<b>13. Current transfers to non-residents</b>	<b>274</b>	<b>289</b>	<b>351</b>	<b>368</b>	<b>392</b>	<b>414</b>
-4.5	5.6	21.3	5.0	6.5	5.6	
<b>14. Equals: Personal saving</b>	<b>20,006</b>	<b>21,940</b>	<b>23,387</b>	<b>19,856</b>	<b>17,669</b>	<b>16,296</b>
-3.0	9.7	6.6	-15.1	-11.0	-7.8	
<b>15. Personal savings rate</b>	<b>10.9</b>	<b>11.7</b>	<b>12.1</b>	<b>10.2</b>	<b>8.9</b>	<b>8.0</b>

Note: Percentage change from previous year is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO TRADE**

(\$ millions)

**TABLE 12**

	1990	1991	1992	1993	1994	1995
<b>1. Exports of Goods and Services</b>	<b>140,709</b>	<b>135,157</b>	<b>144,415</b>	<b>160,531</b>	<b>184,499</b>	<b>204,649</b>
	-0.2	-3.9	6.8	11.2	14.9	10.9
<b>2. Of Which: International</b>	<b>79,666</b>	<b>77,661</b>	<b>87,626</b>	<b>100,796</b>	<b>122,067</b>	<b>139,745</b>
	3.1	-2.5	12.8	15.0	21.1	14.5
<b>3. Goods</b>	<b>68,973</b>	<b>66,424</b>	<b>75,859</b>	<b>87,895</b>	<b>107,495</b>	<b>124,040</b>
	2.8	-3.7	14.2	15.9	22.3	15.4
<b>4. Services</b>	<b>10,693</b>	<b>11,237</b>	<b>11,767</b>	<b>12,901</b>	<b>14,572</b>	<b>15,705</b>
	5.4	5.1	4.7	9.6	13.0	7.8
<b>5. Of Which: Interprovincial Goods and Services</b>	<b>61,043</b>	<b>57,496</b>	<b>56,789</b>	<b>59,735</b>	<b>62,432</b>	<b>64,905</b>
	-4.3	-5.8	-1.2	5.2	4.5	4.0
<b>6. Imports of Goods and Services</b>	<b>124,155</b>	<b>121,441</b>	<b>128,848</b>	<b>145,280</b>	<b>166,480</b>	<b>185,069</b>
	-2.3	-2.2	6.1	12.8	14.6	11.2
<b>7. Trade Balance</b>	<b>16,554</b>	<b>13,716</b>	<b>15,567</b>	<b>15,251</b>	<b>18,019</b>	<b>19,580</b>

**Note:** Percentage change from previous year is given on the second line.**Source:** Office of Economic Policy, Ontario Ministry of Finance

**RELATIONSHIP BETWEEN ONTARIO GROSS DOMESTIC PRODUCT  
AND ONTARIO GROSS PROVINCIAL PRODUCT**

*(\$ millions)*

**TABLE 13**

	1990	1991	1992	1993	1994	1995
1. Gross Domestic Product at market prices	277,454	277,851	282,040	287,651	302,482	312,414
	1.0	0.1	1.5	2.0	5.2	3.3
2. Less: Investment income paid to non-residents	14,118	13,381	13,752	14,050	15,276	16,672
	5.7	-5.2	2.8	2.2	8.7	9.1
3. Plus: Investment income received from non-residents	6,674	6,439	5,912	6,527	6,987	8,233
	1.3	-3.5	-8.2	10.4	7.0	17.8
4. Equals: Gross Provincial Product at market prices	270,009	270,909	274,200	280,128	294,194	303,975
	0.7	0.3	1.2	2.2	5.0	3.3

Note: Percentage change from previous year is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO DEFLATORS**

(1986 = 100)

**TABLE 14**

	1990	1991	1992	1993	1994	1995
<b>1. Personal expenditure on consumer goods and services:</b>	<b>119.5</b>	<b>124.8</b>	<b>126.4</b>	<b>128.9</b>	<b>129.6</b>	<b>131.9</b>
	4.3	4.4	1.3	2.0	0.5	1.7
<b>2. Goods</b>	<b>118.1</b>	<b>122.6</b>	<b>122.9</b>	<b>124.7</b>	<b>123.6</b>	<b>125.5</b>
	3.9	3.9	0.2	1.4	-0.8	1.5
<b>3. Services</b>	<b>120.8</b>	<b>126.7</b>	<b>129.7</b>	<b>132.9</b>	<b>135.4</b>	<b>138.0</b>
	4.5	5.0	2.4	2.4	1.9	2.0
<b>4. Government expenditure on goods and services:</b>	<b>118.8</b>	<b>122.6</b>	<b>125.5</b>	<b>126.2</b>	<b>126.4</b>	<b>126.5</b>
	4.8	3.2	2.4	0.6	0.1	0.1
<b>5. Current expenditure</b>	<b>120.1</b>	<b>125.3</b>	<b>129.4</b>	<b>129.9</b>	<b>130.8</b>	<b>131.6</b>
	5.5	4.4	3.3	0.4	0.7	0.6
<b>6. Capital expenditure</b>	<b>108.7</b>	<b>102.7</b>	<b>98.0</b>	<b>96.1</b>	<b>94.3</b>	<b>93.4</b>
	-0.1	-5.5	-4.6	-1.9	-1.9	-0.9
<b>7. Business gross fixed capital formation:</b>	<b>113.0</b>	<b>108.8</b>	<b>104.2</b>	<b>101.1</b>	<b>101.0</b>	<b>98.6</b>
	-1.9	-3.8	-4.2	-2.9	-0.1	-2.4
<b>8. Residential construction</b>	<b>131.9</b>	<b>133.5</b>	<b>130.4</b>	<b>130.6</b>	<b>132.9</b>	<b>134.2</b>
	-2.4	1.2	-2.3	0.1	1.8	1.0
<b>9. Non-residential construction</b>	<b>122.4</b>	<b>118.3</b>	<b>116.8</b>	<b>118.3</b>	<b>121.4</b>	<b>126.8</b>
	2.3	-3.3	-1.3	1.3	2.6	4.4
<b>10. Machinery and equipment</b>	<b>95.2</b>	<b>89.0</b>	<b>82.9</b>	<b>81.3</b>	<b>81.1</b>	<b>79.8</b>
	-1.0	-6.5	-6.9	-2.0	-0.2	-1.6
<b>11. Exports of goods and services</b>	<b>106.6</b>	<b>105.1</b>	<b>105.7</b>	<b>108.2</b>	<b>110.3</b>	<b>110.9</b>
	0.6	-1.3	0.5	2.4	2.0	0.6
<b>12. DEDUCT: Imports of goods and services</b>	<b>99.6</b>	<b>97.2</b>	<b>98.1</b>	<b>101.7</b>	<b>104.3</b>	<b>105.3</b>
	0.8	-2.5	1.0	3.7	2.5	1.0
<b>13. Value of physical change in inventories</b>	<b>115.2</b>	<b>116.1</b>	<b>112.9</b>	<b>74.7</b>	<b>72.7</b>	<b>103.2</b>
<b>14. Non-farm</b>	<b>112.9</b>	<b>114.7</b>	<b>116.0</b>	<b>75.6</b>	<b>105.2</b>	<b>103.4</b>
<b>15. Farm and grain in commercial channels</b>	<b>257.7</b>	<b>135.4</b>	<b>92.8</b>	<b>71.0</b>	<b>-53.3</b>	<b>97.0</b>
<b>16. Gross Domestic Product</b>	<b>121.4</b>	<b>125.6</b>	<b>126.4</b>	<b>127.3</b>	<b>126.9</b>	<b>127.9</b>
	2.9	3.5	0.6	0.7	-0.4	0.8
<b>17. Final Domestic Demand</b>	<b>118.1</b>	<b>121.3</b>	<b>122.3</b>	<b>123.5</b>	<b>123.7</b>	<b>124.5</b>
	3.2	2.7	0.8	1.0	0.2	0.7

Note: Percentage change from previous quarter is given at annual rate on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

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Office of Economic Policy  
Ministry of Finance



# Ontario Economic Accounts

INCOME AND EXPENDITURE BASED

[1st Quarter of 1996]

July 1996

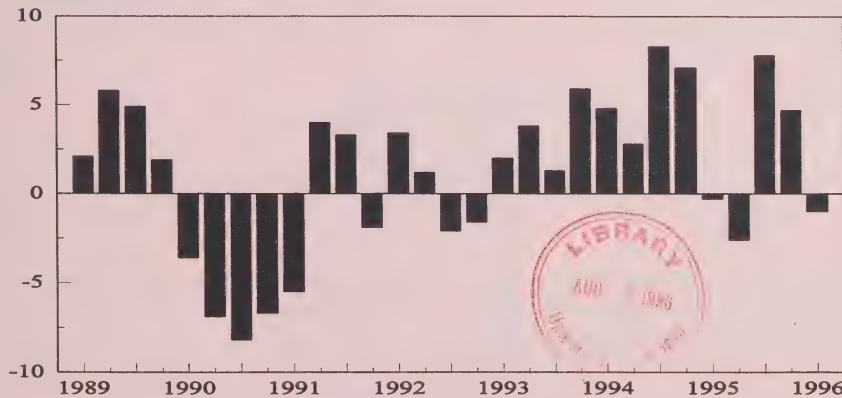
## ONTARIO GDP LOWERED BY LABOUR DISPUTES IN FIRST QUARTER

In the first quarter of 1996 (January-March), Ontario real GDP declined at a 1.0 per cent annualized rate, following a revised gain of 4.7 per cent in the final quarter of 1995. The contraction in economic activity in the first quarter was largely due to the impact of a five week strike in the Ontario public service and a major strike in the U.S. auto sector which shut down several auto plants located in Ontario.

Domestic demand in Ontario recorded its strongest gain in over a year, rising 3.8 per cent. Household spending bounced back during the quarter reflecting an improved job market and rising consumer confidence. Residential construction also rebounded strongly in 1996:1, the result of a very robust home resale market. Businesses spent more on machinery and equipment investment during the quarter, notably in computers, industrial machinery and trucks. Overall growth was held back by a sharp auto-related decline in international exports, coupled with reduced government services activity.

### Ontario Real GDP

% change, seasonally adjusted annual rate



The *Ontario Economic Accounts* have been revised for the 1981-1995 period to incorporate the latest data from Statistics Canada. Real GDP growth was revised from 5.5 to 4.7 per cent in 1994, and from 2.5 to 3.2 per cent in 1995.

For further information on the *Ontario Economic Accounts*, please contact:

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This document is also available on the Internet at <http://www.gov.on.ca/fin/engdoc.html>. In addition, this location also contains a note on more recent developments in the Ontario economy, called *Ontario Economic Update*.

**O**n an industry basis, weakness in the first quarter was concentrated in manufacturing, and government services. This offset higher activity in transportation, storage and communications, retail and wholesale trade, finance, utilities and construction. See the *Ontario Production by Industry* bulletin for more information.

The **GDP price deflator** fell 0.5 per cent at annual rates in 1996:1, following two consecutive quarterly gains of less than one per cent. The drop in prices was in both the domestic and external economies. The highlights of 1996:1 are presented in Table 1.

### ONTARIO ECONOMIC ACCOUNTS SUMMARY, 1995:2 - 1996:1 1986\$, Seasonally Adjusted Annual Rates)

TABLE 1

	1995:2	1995:3	1995:4	1995	1996:1
<b>Highlights (\$1986 Billions)</b>					
Real GDP	241.9 (-2.6)	246.5 (7.8)	249.3 (4.7)	245.3 (3.2)	248.7 (-1.0)
Nominal GDP (Current \$)	309.3 (0.4)	315.4 (8.2)	319.6 (5.4)	313.3 (4.1)	318.4 (-1.5)
GDP Deflator (1986=100)	127.9 (3.1)	128.0 (0.3)	128.2 (0.6)	127.7 (0.9)	128.0 (-0.5)
Final Domestic Demand <sup>1</sup>	231.6 (1.2)	230.8 (-1.4)	230.7 (-0.2)	231.0 (1.6)	232.8 (3.8)
Final Demand <sup>2</sup>	238.4 (-2.0)	244.4 (10.4)	248.3 (6.5)	242.7 (2.7)	246.8 (-2.3)
<b>Composition of Growth<sup>3</sup></b> (\$ Millions)					
Total GDP Growth	-1,584	4,601	2,858	7,518	-604
● Consumer Spending	-270	1,202	-833	2,201	971
● Business Machinery and Equipment	1,416	-1,625	562	3,336	1,707
● Non-Residential Construction	13	93	185	-209	-65
● Residential Construction	-375	-84	-116	-1,509	184
● Government Spending	-114	-398	85	-108	-621
● Net Exports	-1,873	6,770	3,991	2,669	-3,611
● Inventories	-425	-1,339	-967	1,062	869

**Source:** Ontario Ministry of Finance and Statistics Canada

**Note:** Per cent change from previous period, at annual rates, is given in brackets.

1. Combined sum of consumer spending, government spending and business investment excluding inventory investment.

2. Final domestic demand plus net exports.

3. Does not sum to GDP growth, as the "statistical discrepancy" is not shown.

## FIRST QUARTER DETAILS

**R**eal consumer spending rebounded in 1996:1, rising 2.8 per cent at annual rates, after falling by 2.4 per cent in the previous quarter. Rising consumer confidence, the result of an improved job market and lower interest rates, aided the rise in spending. Consumer spending on goods rose by 2.8 per cent at annual rates, following a 6.9 per cent drop in 1995:4. Spending on services rose 2.9 per cent, partly the result of a busy RRSP season and higher spending on energy due to the unusually cold winter weather.

- **Personal income** growth moderated to a 1.6 per cent gain at annual rates in 1996:1. Ontario wages, salaries and supplementary labour income, the largest component of personal income, slowed to a 0.4 per cent gain at annual rates, down from robust growth averaging close to 6 per cent in the previous two quarters. Labour income in the first quarter was affected by labour disruptions in the Ontario public service, and the construction sector, combined with the impact of shutdowns in several auto plants.
- **Personal disposable income** rose 1.6 per cent at annual rates in 1996:1, down from a 3.1 per cent gain in the previous quarter. With nominal consumer spending rising faster than the gain in disposable income, the Ontario **savings rate** declined from 9.0 to 8.4 per cent.

**THE CONSUMER SECTOR, 1995:2 - 1996:1**  
(1986 \$ Millions, Seasonally Adjusted Annual Rates)

TABLE

	1995:2	1995:3	1995:4	1995	1996:1
Consumer Spending	138,488 (-.8)	139,690 (3.5)	138,857 (-2.4)	138,949 (1.6)	139,828 (2.8)
- Goods	67,453 (-4.2)	67,942 (2.9)	66,747 (-6.9)	67,579 (1.2)	67,207 (2.8)
- Services	71,035 (2.6)	71,749 (4.1)	72,111 (2.0)	71,369 (2.0)	72,621 (2.9)
Personal Income (Current\$)	265,239 (-.8)	268,451 (4.9)	270,252 (2.7)	267,431 (3.5)	271,302 (1.6)
Personal Disposable Income (Current\$)	202,255 (-2.7)	203,670 (2.8)	205,250 (3.1)	203,708 (2.6)	206,057 (1.6)
Personal Savings Rate (%)	8.4	7.8	9.0	8.7	8.4

Source: Ontario Ministry of Finance and Statistics Canada

Note: Per cent change from previous quarter, at annual rates, is given in brackets.

- A two year slump in **residential construction** was reversed in 1996:1 as real housing activity rose by 7.9 per cent at annualized rates, after falling in seven of the past eight quarters. A pick up in the resale market more than outweighed lower new home construction.
  - Ontario home resales rose 8.7 per cent (quarterly rates) in 1996:1, after a 13.2 per cent drop in the previous quarter. Housing starts declined slightly by 2.4 per cent, after increasing in the past two quarters. An eleven week strike by Toronto-area bricklayers that ended in mid-April reduced housing starts.
- Real business **investment** in plant and equipment rose at an annual rate of 21.7 per cent in 1996:1, following a 9.7 per cent rise recorded in the fourth quarter of last year. Outlays on machinery and equipment jumped by 27.0 per cent, with firms spending more on computers, industrial machinery and trucks. Non-residential construction declined 5.1 per cent in the first quarter.
- **Corporation profits** before taxes fell 36.4 per cent at annual rates in 1996:1, after rising strongly in the previous two quarters. The drop in profits was concentrated in the non-financial industries, including the automotive industry, printing and publishing, metals, and machinery and equipment.

**THE BUSINESS SECTOR, 1995:2 - 1996:1**  
1986 \$ Millions, Seasonally Adjusted Annual Rates)

**TABLE 3**

	1995:2	1995:3	1995:4	1995	1996:1
residential Construction	9,815 (-13.9)	9,731 (-3.4)	9,615 (-4.7)	9,838 (-13.3)	9,799 (7.9)
Business Plant and Equipment	33,432 (19.1)	31,900 (-17.1)	32,646 (9.7)	32,496 (10.7)	34,288 (21.7)
Non-Residential Construction	4,687 (1.1)	4,780 (8.2)	4,964 (16.4)	4,776 (-4.2)	4,899 (-5.1)
Machinery & Equipment	28,746 (22.4)	27,120 (-20.8)	27,682 (8.5)	27,720 (13.7)	29,389 (27.0)
Business and Farm Inventory Accumulation	3,532	2,193	1,227	2,727	2,095
Pre-Tax Corporate Profits (Current \$)	26,879 (1.1)	29,758 (50.2)	31,268 (21.9)	28,678 (14.9)	27,921 (-36.4)

source: Ontario Ministry of Finance and Statistics Canada

Note: Per cent change from previous quarter, at annual rates, is given in brackets.

**R**eal Ontario exports reversed an upward trend in the first quarter, falling 8.4 per cent at annual rates, after a 24.3 per cent gain in 1995:4. The decline in exports was largely due to the impact of a three week auto strike in Dayton, Ohio, which shut down production in several auto plants and parts suppliers in Ontario. At the national level, total auto exports (cars, trucks and parts) fell 18.8 per cent at annual rates in 1996:1. Real imports declined by 1.1 per cent, after a 15.4 per cent rise in the previous quarter. With exports falling faster than imports, the real trade balance deteriorated from a ten-year high of \$17.6 billion in 1995:4 to a still healthy \$14.0 billion in 1996:1.

- Exports of chemicals, iron and steel, and machinery and equipment, also fell, while metals and food exports rose.
- Higher imports of food, oil, chemicals and machinery and equipment were offset by lower imports of cars and parts.

#### THE EXTERNAL SECTOR, 1995:2 - 1996:1

(1986 \$ Millions, Seasonally Adjusted Annual Rates)

TABLE

	1995:2	1995:3	1995:4	1995	1996:1
Total Exports	175,830 (-14.0)	179,726 (9.2)	189,764 (24.3)	181,978 (9.9)	185,656 (-8.4)
Total Imports	168,970 (-10.8)	166,096 (-6.6)	172,143 (15.4)	170,267 (8.8)	171,646 (-1.1)
Balance of Trade	6,860	13,630	17,621	11,711	14,010

Source: Ontario Ministry of Finance and Statistics Canada

Note: Per cent change from previous quarter, at annual rates, is given in brackets.

**T**otal real government spending in Ontario by all levels of government (federal, provincial and local) declined 4.9 per cent in 1996:1.

- Government **current spending** on goods and services, in constant dollars fell 6.2 per cent at annual rates in 1996:1, following a flat fourth quarter of 1995. The decline reflected the impact of the five week strike in the Ontario public sector.
- Real government **capital investment** rose at a 3.4 per cent annual rate in 1996:1, after rising by 4.9 per cent in 1995:4.

### THE GOVERNMENT SECTOR, 1995:2 - 1995:4

1986 \$ Millions, Seasonally Adjusted Annual Rates)

TABLE 5

	1995:2	1995:3	1995:4	1995	1996:1
Total Government Expenditure*	49,852 (-0.9)	49,454 (-3.2)	49,539 (0.7)	49,703 (-0.2)	48,918 (-4.9)
- Current Expenditure	43,234 (1.1)	42,771 (-4.2)	42,775 (0.0)	42,975 (-1.6)	42,097 (-6.2)
- Capital Investment	6,618 (-12.6)	6,683 (4.0)	6,764 (4.9)	6,728 (9.4)	6,822 (3.4)

Source: Ontario Ministry of Finance and Statistics Canada

Note: Per cent change from previous quarter, at annual rates, is given in brackets.

Includes federal, provincial and local levels

### Rewvisions to the Ontario Economic Accounts

The *Ontario Economic Accounts* have been revised for the 1981-1995 period to incorporate the latest Statistics Canada data from the Provincial Economic Accounts and the Canadian National Income and Expenditure Accounts. Data published in this bulletin for the period prior to 1991 is available on request.

### REVISIONS TO ONTARIO GDP, 1991-1994

(Per cent Growth)

	1991	1992	1993	1994	1995
<b>Nominal GDP</b>					
Revised	0.3	1.6	2.0	4.3	4.1
Previous	0.1	1.5	2.0	5.2	3.3
<b>Real GDP</b>					
Revised	-3.2	1.0	1.2	4.7	3.2
Previous	-3.2	0.9	1.3	5.5	2.5
<b>GDP Price Deflator</b>					
Revised	3.6	0.6	0.8	-0.4	0.9
Previous	3.5	0.6	0.7	-0.4	0.8

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The Ontario Economic Accounts is also available in French.

NOTE: TOTALS MAY NOT ADD EXACTLY DUE TO ROUNDING.

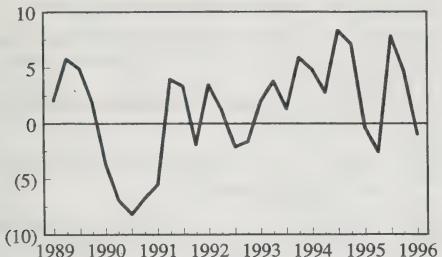
# Ontario Economic Accounts Summary

## (1989:1 - 1996:1)

Gross Domestic Product

(1986 \$)

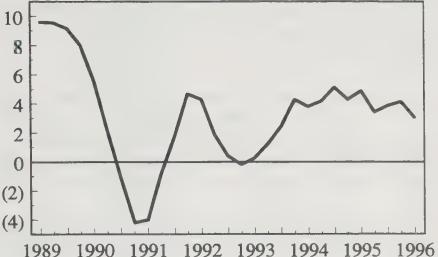
% change, quarter-over-quarter (saar)



Gross Domestic Product

(Current \$)

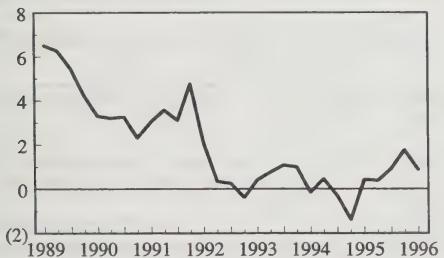
% change, year-over-year



GDP Deflator

(1986 = 100)

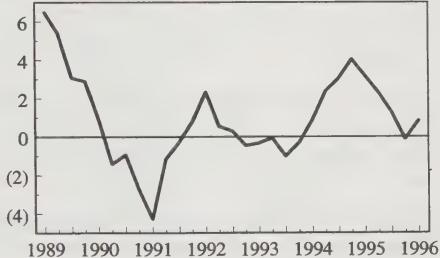
% change, year-over-year



Final Domestic Demand

(1986 \$)

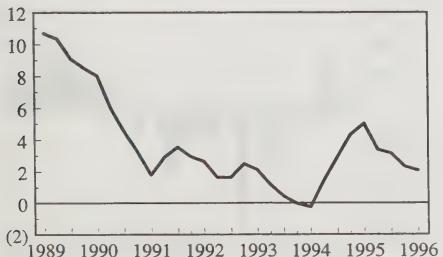
% change, year-over-year



Personal Income

(Current \$)

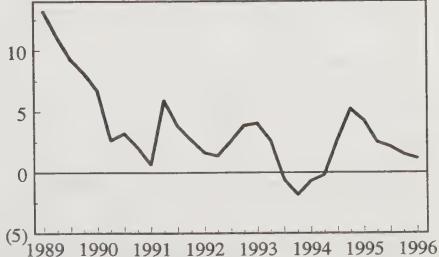
% change, year-over-year



Personal Disposable Income

(Current \$)

% change, year-over-year



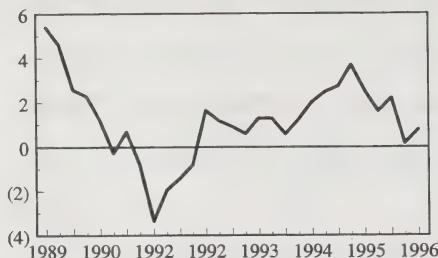
# Ontario Economic Accounts Summary

## (1989:1 - 1996:1)

### Consumer Spending

(1986 \$)

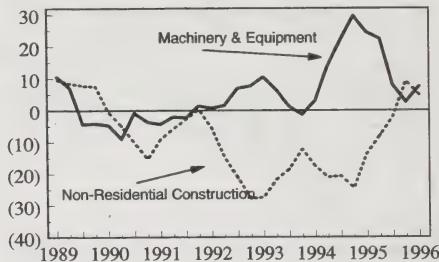
% change, year-over-year



### Business Plant & Equipment

(1986 \$)

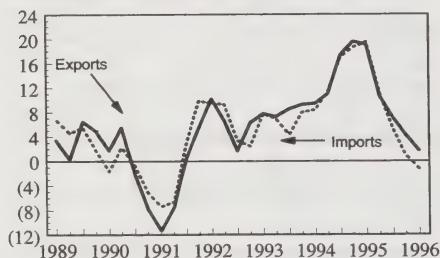
% change, year-over-year



### Trade

(1986 \$)

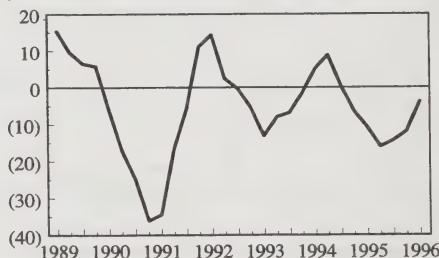
% change, year-over-year



### Residential Construction

(1986 \$)

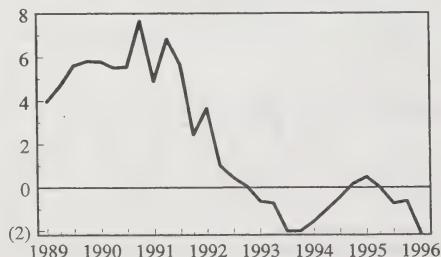
% change, year-over-year



### Government Spending

(1986 \$)

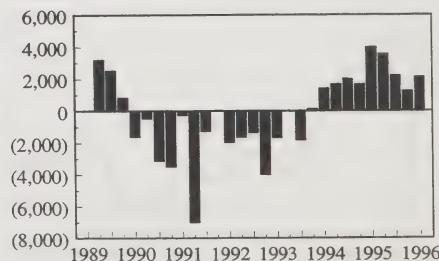
% change, year-over-year



### Change in Inventories

(1986 \$)

millions



**ONTARIO GROSS DOMESTIC PRODUCT, (INCOME BASED)**
*\$ millions, seasonally adjusted at annual rates*
**TABLE 1**

	<b>1991</b>					<b>1992</b>				
	I	II	III	IV	YEAR	I	II	III	IV	YEAR
1. Wages, salaries, and supplementary labour income	159,252	160,492	161,475	161,800	160,755	162,495	163,565	163,758	164,089	163,477
	2.4	3.2	2.5	0.8	1.9	1.7	2.7	0.5	0.8	1.7
2. Military Pay and allowances	1,322	1,323	1,330	1,381	1,339	1,402	1,402	1,428	1,427	1,415
	15.2	0.2	2.0	16.4	4.8	6.2	0.0	7.6	-0.3	5.7
3. Corporation profits before taxes	13,834	16,452	17,423	15,971	15,920	17,844	17,371	14,825	13,805	15,961
	-52.1	100.0	25.8	-29.4	-19.4	55.8	-10.2	-47.0	-24.8	0.3
4. Interest and miscellaneous investment income	15,383	16,086	15,451	16,304	15,806	16,894	16,346	16,193	16,453	16,472
	-27.2	19.6	-14.9	24.0	-5.7	15.3	-12.4	-3.7	6.6	4.2
5. Accrued net income of farm operators from farm production	397	379	163	153	273	172	190	224	286	218
	-78.6	-16.9	-96.6	-22.4	-22.4	59.7	48.9	93.2	165.7	-20.1
6. Net income of non-farm unincorporated business including rent	14,210	14,833	15,419	15,218	14,920	15,141	15,204	15,387	15,552	15,321
	3.7	18.7	16.8	-5.1	3.1	-2.0	1.7	4.9	4.4	2.7
7. Inventory valuation adjustment	638	1,013	827	525	751	-792	-761	-1,048	-1,192	-948
8. Net Domestic Income at factor cost	205,036	210,578	212,088	211,352	209,764	213,156	213,317	210,767	210,420	211,916
	-7.1	11.3	2.9	-1.4	-0.3	3.5	0.3	-4.7	-0.7	1.0
9. Indirect taxes less subsidies	35,026	35,698	35,723	37,085	35,883	36,378	37,042	38,186	38,966	37,643
	64.6	7.9	0.3	16.1	-2.0	-7.4	7.5	12.9	8.4	4.9
10. Capital consumption allowances and miscellaneous valuation adjustments	31,495	32,175	33,174	34,420	32,816	33,651	33,246	33,132	32,947	33,244
	13.8	8.9	13.0	15.9	7.4	-8.6	-4.7	-1.4	-2.2	1.3
11. Gross Domestic Product at market prices	271,557	278,451	280,985	282,857	278,463	283,185	283,605	282,085	282,333	282,803
	1.9	10.5	3.7	2.7	0.3	0.5	0.6	-2.1	0.4	1.6

*Note:* Percentage change from previous quarter is given on the second line.

*Sources:* Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT, (INCOME BASED)**

(\$ millions, seasonally adjusted at annual rates)

TAB

	1993					1994				
	I	II	III	IV	YEAR	I	II	III	IV	Y
1. Wages, salaries, and supplementary labour income	164,461 0.9	164,384 -0.2	164,482 0.2	165,213 1.8	164,635 0.7	164,547 -1.6	167,181 6.6	168,666 3.6	170,943 5.5	16
2. Military Pay and allowances	1,414 -3.6	1,403 -3.1	1,386 -4.8	1,371 -4.3	1,393 -1.5	1,445 23.4	1,511 19.6	1,522 2.9	1,569 12.9	1
3. Corporation profits before taxes	16,690 113.6	17,408 18.4	18,729 34.0	22,897 123.4	18,931 18.6	24,266 26.1	25,163 15.6	24,787 -5.8	25,651 14.7	2
4. Interest and miscellaneous investment income	15,326 -24.7	15,226 -2.6	14,897 -8.4	14,315 -14.7	14,941 -9.3	14,988 20.2	16,360 42.0	17,134 20.3	16,732 -9.1	1
5. Accrued net income of farm operators from farm production	286 0.0	304 27.7	325 30.6	377 81.1	323 48.2	303 -58.3	271 -36.0	237 -41.5	173 -71.6	
6. Net income of non-farm unincorporated business including rent	15,902 9.3	16,342 11.5	16,751 10.4	17,153 10.0	16,537 7.9	16,878 -6.3	16,896 0.4	16,902 0.1	16,783 -2.8	1
7. Inventory valuation adjustment	-2,213	-275	-1,310	-1,044	-1,211	-2,534	-3,299	-2,108	-2,490	
8. Net Domestic Income at factor cost	211,866 2.8	214,792 5.6	215,260 0.9	220,282 9.7	215,549 1.7	219,893 -0.7	224,083 7.8	227,140 5.6	229,361 4.0	22
9. Indirect taxes less subsidies	38,444 -5.3	38,256 -1.9	38,854 6.4	38,977 1.3	38,633 2.6	39,537 5.9	39,739 2.1	40,982 13.1	41,857 8.8	4
10. Capital consumption allowances and miscellaneous valuation adjustments	33,580 7.9	34,048 5.7	34,831 9.5	35,089 3.0	34,387 3.4	35,198 1.2	35,239 0.5	35,608 4.3	35,692 0.9	3
11. Gross Domestic Product at market prices	283,890 2.2	287,096 4.6	288,945 2.6	294,348 7.7	288,569 2.0	294,628 0.4	299,061 6.2	303,730 6.4	306,910 4.3	30

Note: Percentage change from previous quarter is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

## ONTARIO GROSS DOMESTIC PRODUCT, (INCOME BASED)

\$ millions, seasonally adjusted at annual rates)

TABLE 1

	1995					1996				
	I	II	III	IV	YEAR	I	II	III	IV	YEAR
1. Wages, salaries, and supplementary labour income	171,771	170,944	173,770	176,011	173,124	176,169				
	2.0	-1.9	6.8	5.3	3.2	0.4				
2. Military Pay and allowances	1,513	1,490	1,354	1,311	1,417	1,222				
	-13.5	-5.9	-31.8	-12.1	-6.3	-24.6				
3. Corporation profits before taxes	26,806	26,879	29,758	31,268	28,678	27,921				
	19.3	1.1	50.2	21.9	14.9	-36.4				
4. Interest and miscellaneous investment income	17,555	16,515	16,058	15,784	16,478	15,900				
	21.2	-21.7	-10.6	-6.7	1.1	3.0				
5. Accrued net income of farm operators from farm production	235	360	450	619	416	690				
	240.5	450.7	144.1	258.0	69.1	54.1				
6. Net income of non-farm unincorporated business including rent	16,930	17,057	17,228	17,426	17,160	17,589				
	3.5	3.0	4.0	4.7	1.7	3.8				
7. Inventory valuation adjustment	-3,610	-1,320	-827	-433	-1,548	321				
8. Net Domestic Income at factor cost	231,200	231,925	237,791	241,986	235,725	239,812				
	3.2	1.3	10.5	7.2	4.7	-3.5				
9. Indirect taxes less subsidies	41,492	41,254	41,018	40,689	41,113	41,087				
	-3.4	-2.3	-2.3	-3.2	1.4	4.0				
10. Capital consumption allowances and miscellaneous valuation adjustments	36,263	36,111	36,635	36,913	36,481	37,495				
	6.6	-1.7	5.9	3.1	3.0	6.5				
11. Gross Domestic Product at market prices	308,955	309,290	315,444	319,588	313,319	318,394				
	2.7	0.4	8.2	5.4	4.1	-1.5				

*Note:* Percentage change from previous quarter is given on the second line.*Sources:* Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT, (EXPENDITURE BASED)**
*(\$ millions, seasonally adjusted at annual rates)*

TAB

	1991					1992				
	I	II	III	IV	YEAR	I	II	III	IV	
1. Personal expenditure on consumer goods and services:	159,398	162,035	164,599	164,352	162,596	164,295	165,374	167,889	168,292	1
	-2.9	6.8	6.5	-0.6	2.5	-0.1	2.7	6.2	1.0	
2. Goods	75,775	77,432	78,543	77,026	77,194	77,158	77,232	78,462	78,357	
	-8.0	9.0	5.9	-7.5	-0.4	0.7	0.4	6.5	-0.5	
3. Services	83,624	84,603	86,056	87,326	85,402	87,137	88,142	89,428	89,935	
	2.0	4.8	7.1	6.0	5.3	-0.9	4.7	6.0	2.3	
4. Government expenditure on goods and services:	59,478	61,347	63,006	63,974	61,951	63,965	63,735	64,456	63,968	
	0.7	13.2	11.3	6.3	9.0	-0.1	-1.4	4.6	-3.0	
5. Current expenditure	53,347	55,113	56,863	57,857	55,795	57,897	57,724	58,335	57,928	
	3.0	13.9	13.3	7.2	9.5	0.3	-1.2	4.3	-2.8	
6. Capital expenditure	6,131	6,234	6,143	6,117	6,156	6,068	6,011	6,121	6,040	
	-17.0	6.9	-5.7	-1.7	4.6	-3.2	-3.7	7.5	-5.2	
7. Business gross fixed capital formation:	43,028	43,876	44,759	44,923	44,147	43,625	41,245	41,357	40,345	
	-11.4	8.1	8.3	1.5	-9.8	-11.1	-20.1	1.1	-9.4	
8. Residential construction	14,539	15,396	16,367	16,446	15,687	16,432	15,313	15,948	15,431	
	-3.2	25.7	27.7	1.9	-12.9	-0.3	-24.6	17.6	-12.4	
9. Non-residential construction	11,539	11,440	11,320	11,087	11,347	10,554	9,611	8,831	8,033	
	-4.3	-3.4	-4.1	-8.0	-7.5	-17.9	-31.2	-28.7	-31.5	
10. Machinery and equipment	16,950	17,040	17,072	17,390	17,113	16,639	16,321	16,578	16,881	
	-21.9	2.1	0.8	7.7	-8.2	-16.2	-7.4	6.4	7.5	
11. Exports of goods and services	125,684	131,544	134,486	136,270	131,996	135,988	140,518	138,686	148,688	1
	-19.4	20.0	9.3	5.4	4.5	-0.8	14.0	-5.1	32.1	
12. DEDUCT: Imports of goods and services	114,192	114,420	120,909	123,281	118,201	120,655	124,403	126,739	134,560	1
	-19.6	0.8	24.7	8.1	-2.7	-8.3	13.0	7.7	27.1	
13. Value of physical change in inventories:	-263	-5,113	-2,734	-1,151	-2,315	-3,372	-1,562	-2,158	-3,119	
14. Non-farm	-27	-5,079	-2,730	-1,041	-2,219	-2,817	-1,397	-1,856	-2,950	
15. Farm and grain in commercial channels	-236	-34	-4	-110	-96	-556	-165	-302	-169	
16. Statistical Discrepancy	-1,576	-818	-2,222	-2,229	-1,711	-661	-1,302	-1,406	-1,280	
17. Gross Domestic Product at market prices	271,557	278,451	280,985	282,857	278,463	283,185	283,605	282,085	282,333	
	1.9	10.5	3.7	2.7	0.3	0.5	0.6	-2.1	0.4	
18. Gross Domestic Product in constant (1986) dollars	219,850	221,994	223,824	222,758	222,106	224,647	225,331	224,132	223,212	
	-5.5	4.0	3.3	-1.9	-3.2	3.4	1.2	-2.1	-1.6	

Note: Percentage change from previous quarter is given at annual rate on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT, (EXPENDITURE BASED)**

(millions, seasonally adjusted at annual rates)

TABLE 2

	1993					1994				
	I	II	III	IV	YEAR	I	II	III	IV	YEAR
Personal expenditure on consumer goods and services:	169,554	170,775	171,955	173,723	171,502	175,186	176,343	177,454	180,186	177,292
	3.0	2.9	2.8	4.2	3.0	3.4	2.7	2.5	6.3	3.4
Goods	79,188	79,548	79,903	80,900	79,885	81,666	81,857	82,342	84,195	82,515
	4.3	1.8	1.8	5.1	2.7	3.8	0.9	2.4	9.3	3.3
Services	90,366	91,227	92,052	92,823	91,617	93,520	94,486	95,112	95,991	94,777
	1.9	3.9	3.7	3.4	3.3	3.0	4.2	2.7	3.7	3.4
Government expenditure on goods and services:	64,032	63,949	63,909	63,571	63,865	63,598	63,842	63,786	64,037	63,816
	0.4	-0.5	-0.3	-2.1	-0.3	0.2	1.5	-0.4	1.6	-0.1
Current expenditure	58,359	58,586	58,813	58,734	58,623	58,395	58,152	57,505	57,034	57,772
	3.0	1.6	1.6	-0.5	1.1	-2.3	-1.7	-4.4	-3.2	-1.5
Capital expenditure	5,673	5,363	5,096	4,837	5,242	5,203	5,690	6,281	7,003	6,044
	-22.2	-20.1	-18.5	-18.8	-13.5	33.9	43.0	48.5	54.5	15.3
Business gross fixed capital formation:	38,876	38,243	39,175	40,006	39,075	40,066	41,331	41,668	42,104	41,292
	-13.8	-6.4	10.1	8.8	-6.2	0.6	13.2	3.3	4.3	5.7
Residential construction	14,194	14,078	14,984	15,416	14,668	15,250	15,755	15,324	14,867	15,299
	-28.4	-3.2	28.3	12.0	-7.1	-4.2	13.9	-10.5	-11.4	4.3
Non-residential construction	7,778	7,591	7,303	7,163	7,459	6,514	6,229	6,051	5,696	6,123
	-12.1	-9.3	-14.3	-7.5	-19.4	-31.6	-16.4	-10.9	-21.5	-17.9
Machinery and equipment	16,904	16,574	16,888	17,427	16,948	18,302	19,347	20,293	21,541	19,871
	0.5	-7.6	7.8	13.4	2.1	21.6	24.9	21.0	27.0	-17.2
Exports of goods and services	150,578	154,330	155,150	165,614	156,418	165,474	178,072	186,068	199,418	182,258
	5.2	10.3	2.1	29.8	11.0	-0.3	34.1	19.2	31.9	16.5
DEDUCT: Imports of goods and services	135,910	138,834	137,832	147,124	139,925	150,181	161,538	166,419	179,118	164,314
	4.1	8.9	-2.9	29.8	10.5	8.6	33.9	12.6	34.2	17.4
Value of physical change in inventories:	-1,910	53	-2,460	73	-1,061	1,931	1,196	1,799	871	1,449
Non-farm	-2,019	-101	-2,499	11	-1,152	1,846	1,134	1,849	1,088	1,479
Farm and grain in commercial channels	109	154	39	62	91	85	62	-50	-217	-30
Statistical Discrepancy	-1,330	-1,421	-951	-1,515	-1,305	-1,446	-185	-626	-588	-711
Gross Domestic Product at market prices	283,890	287,096	288,945	294,348	288,569	294,628	299,061	303,730	306,910	301,082
	2.2	4.6	2.6	7.7	2.0	0.4	6.2	6.4	4.3	4.3
Gross Domestic Product in constant (1986) dollars	224,195	226,283	227,030	230,310	226,954	233,138	234,744	239,492	243,641	237,754
	1.8	3.8	1.3	5.9	1.2	5.0	2.8	8.3	7.1	4.7

te: Percentage change from previous quarter is given at annual rate on the second line.

urces: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT, (EXPENDITURE BASED)**

(\$ millions, seasonally adjusted at annual rates)

	1995					1996			
	I	II	III	IV	YEAR	I	II	III	IV
1. Personal expenditure on consumer goods and services:	181,453	182,335	184,567	183,691	183,012	185,656			
	2.8	2.0	5.0	-1.9	3.2	4.3			
2. Goods	84,809	84,519	85,267	83,530	84,531	84,278			
	2.9	-1.4	3.6	-7.9	2.4	3.6			
3. Services	96,644	97,816	99,300	100,161	98,480	101,378			
	2.7	4.9	6.2	3.5	3.9	4.9			
4. Government expenditure on goods and services:	64,280	64,127	63,387	63,431	63,806	62,434			
	1.5	-0.9	-4.5	0.3	0.0	-6.1			
5. Current expenditure	57,524	57,674	56,971	57,147	57,329	56,199			
	3.5	1.0	-4.8	1.2	-0.8	-6.5			
6. Capital expenditure	6,756	6,453	6,416	6,284	6,477	6,235			
	-13.4	-16.8	-2.3	-8.0	7.2	-3.1			
7. Business gross fixed capital formation:	41,347	41,994	40,127	39,863	40,833	41,223			
	-7.0	6.4	-16.6	-2.6	-1.1	14.4			
8. Residential construction	13,736	13,250	13,361	13,038	13,346	13,297			
	-27.1	-13.4	3.4	-9.3	-12.8	8.2			
9. Non-residential construction	5,883	5,891	6,046	6,285	6,026	6,178			
	13.8	0.5	10.9	16.8	-1.6	-6.6			
10. Machinery and equipment	21,728	22,853	20,720	20,540	21,460	21,748			
	3.5	22.4	-32.4	-3.4	8.0	25.7			
11. Exports of goods and services	203,954	196,476	199,136	210,448	202,504	207,378			
	9.4	-13.9	5.5	24.7	11.1	-5.7			
12. DEDUCT: Imports of goods and services	186,724	180,460	174,949	179,889	180,506	180,400			
	18.1	-12.8	-11.7	11.8	9.9	1.1			
13. Value of physical change in inventories:	4,148	4,307	2,846	1,904	3,301	1,986			
14. Non-farm	4,264	4,265	2,784	1,980	3,323	2,002			
15. Farm and grain in commercial channels	-116	42	62	-76	-22	-16			
16. Statistical Discrepancy	497	511	330	140	369	117			
17. Gross Domestic Product at market prices	308,955	309,290	315,444	319,588	313,319	318,394			
	2.7	0.4	8.2	5.4	4.1	-1.5			
18. Gross Domestic Product in constant (1986) dollars	243,444	241,860	246,461	249,319	245,271	248,716			
	-0.3	-2.6	7.8	4.7	3.2	-1.0			

Note: Percentage change from previous quarter is given at annual rate on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT AT 1986 PRICES**  
*(millions, seasonally adjusted at annual rates)*

**TABLE 3**

	1991					1992				
	I	II	III	IV	YEAR	I	II	III	IV	YEAR
Personal expenditure on consumer goods and services	128,857	129,811	131,116	131,334	130,279	130,973	131,333	132,318	132,098	131,881
	-10.3	3.0	4.1	0.7	-1.9	-1.1	1.1	3.0	-0.7	-1.1
Goods	62,225	63,037	63,621	62,930	62,953	63,118	63,016	63,686	63,498	63,330
	-13.5	5.3	3.8	-4.3	-4.1	1.2	-0.6	4.3	-1.2	0.6
Services	66,632	66,774	67,495	68,404	67,326	67,855	68,317	68,632	68,600	68,351
	-7.1	0.9	4.4	5.5	0.3	-3.2	2.7	1.9	-0.2	1.5
Government expenditure on goods and services:	49,046	50,211	50,850	50,752	50,215	50,833	50,728	51,085	50,782	50,856
	-3.9	9.8	5.2	-0.8	4.9	0.6	-0.8	2.8	-2.3	1.3
Current expenditure	43,196	44,182	44,809	44,678	44,216	44,777	44,638	44,770	44,457	44,660
	-2.9	9.4	5.8	-1.2	4.2	0.9	-1.3	1.2	-2.8	1.0
Capital expenditure	5,850	6,029	6,041	6,074	5,999	6,056	6,090	6,315	6,325	6,196
	-11.1	12.8	0.8	2.2	10.7	-1.2	2.3	15.6	0.6	3.3
Business gross fixed capital formation:	39,677	40,127	40,832	41,629	40,566	40,842	39,293	40,059	39,792	39,996
	-3.9	4.6	7.2	8.0	-6.2	-7.4	-14.3	8.0	-2.6	-1.4
Residential construction	10,923	11,396	12,211	12,515	11,761	12,496	11,680	12,174	11,825	12,044
	-11.6	18.5	31.8	10.3	-13.8	-0.6	-23.7	18.0	-11.0	2.4
Non-residential construction	9,575	9,650	9,609	9,509	9,586	9,044	8,229	7,568	6,866	7,926
	4.2	3.2	-1.7	-4.1	-4.4	-18.2	-31.5	-28.5	-32.3	-17.3
Machinery and equipment	19,179	19,081	19,012	19,605	19,219	19,302	19,384	20,317	21,101	20,026
	-3.0	-2.0	-1.4	13.1	-1.8	-6.0	1.7	20.7	16.4	4.2
Exports of goods and services	118,146	125,399	129,688	131,155	126,097	130,132	133,633	131,831	139,351	133,737
	-18.4	26.9	14.4	4.6	-3.5	-3.1	11.2	-5.3	24.8	6.1
DEDUCT: Imports of goods and services	113,850	116,982	125,165	130,043	121,510	124,644	127,796	129,326	133,228	128,748
	-14.6	11.5	31.1	16.5	-0.5	-15.6	10.5	4.9	12.6	6.0
Value of physical change in inventories:	-251	-6,989	-1,263	26	-2,120	-1,958	-1,644	-1,340	-3,990	-2,233
Non-farm	-78	-6,946	-1,263	144	-2,036	-1,430	-1,605	-1,058	-3,827	-1,980
Farm and grain in commercial channels	-173	-43	0	-118	-84	-528	-39	-282	-163	-253
Statistical Discrepancy	-1,775	417	-2,234	-2,095	-1,421	-1,531	-216	-495	-1,593	-959
Gross Domestic Product	219,850	221,994	223,824	222,758	222,106	224,647	225,331	224,132	223,212	224,330
	-5.5	4.0	3.3	-1.9	-3.2	3.4	1.2	-2.1	-1.6	1.0
Final Domestic Demand	217,581	220,151	222,799	223,715	221,062	222,648	221,353	223,462	222,673	222,534
	-7.7	4.8	4.9	1.7	-1.3	-1.9	-2.3	3.9	-1.4	0.7

**Note:** Percentage change from previous quarter is given at annual rate on the second line.

**Sources:** Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

## ONTARIO GROSS DOMESTIC PRODUCT AT 1986 PRICES

(\$ millions, seasonally adjusted at annual rates)

TABLE

	1993				1994					
	I	II	III	IV	YEAR	I	II	III	IV	Y
1. Personal expenditure on consumer goods and services	132,659	133,023	133,066	133,734	133,120	135,335	136,305	136,689	138,660	13
	1.7	1.1	0.1	2.0	1.1	4.9	2.9	1.1	5.9	
2. Goods	63,993	64,151	64,058	64,411	64,153	65,701	66,518	66,793	68,119	6
	3.2	1.0	-0.6	2.2	1.3	8.3	5.1	1.7	8.2	
3. Services	68,666	68,872	69,008	69,323	68,967	69,634	69,787	69,896	70,541	6
	0.4	1.2	0.8	1.8	0.9	1.8	0.9	0.6	3.7	
4. Government expenditure on goods and services:	50,511	50,361	50,050	49,760	50,170	49,720	49,851	49,823	49,849	4
	-2.1	-1.2	-2.4	-2.3	-1.3	-0.3	1.1	-0.2	0.2	
5. Current expenditure	44,651	44,815	44,791	44,732	44,747	44,339	44,021	43,466	42,818	4
	1.8	1.5	-0.2	-0.5	0.2	-3.5	-2.8	-5.0	-5.8	
6. Capital expenditure	5,860	5,546	5,259	5,028	5,423	5,381	5,830	6,357	7,031	
	-26.3	-19.8	-19.1	-16.4	-12.5	31.1	37.8	41.4	49.6	
7. Business gross fixed capital formation:	38,740	37,805	38,072	38,511	38,282	38,774	40,265	41,371	42,447	4
	-10.2	-9.3	2.9	4.7	-4.3	2.8	16.3	11.5	10.8	
8. Residential construction	10,854	10,747	11,339	11,661	11,150	11,414	11,697	11,368	10,907	1
	-29.0	-3.9	23.9	11.9	-7.4	-8.2	10.2	-10.8	-15.2	
9. Non-residential construction	6,570	6,444	6,163	6,024	6,300	5,415	5,089	4,888	4,546	
	-16.2	-7.4	-16.3	-8.7	-20.5	-34.7	-22.0	-14.9	-25.2	
10. Machinery and equipment	21,316	20,614	20,570	20,826	20,832	21,945	23,479	25,115	26,994	2
	4.1	-12.5	-0.9	5.1	4.0	23.3	31.0	30.9	33.4	
11. Exports of goods and services	140,203	143,296	143,028	152,219	144,687	153,359	158,993	167,780	181,951	1
	2.5	9.1	-0.7	28.3	8.2	3.0	15.5	24.0	38.3	
12. DEDUCT: Imports of goods and services	134,298	136,648	134,852	143,816	137,404	145,524	152,107	157,694	170,589	1
	3.3	7.2	-5.2	29.4	6.7	4.8	19.4	15.5	36.9	
13. Value of physical change in inventories:	-1,660	-15	-1,816	128	-841	1,398	1,639	1,983	1,640	
14. Non-farm	-1,481	-62	-1,830	10	-841	1,243	1,593	1,951	1,538	
15. Farm and grain in commercial channels	-179	47	14	118	0	155	46	32	102	
16. Statistical Discrepancy	-1,960	-1,539	-518	-226	-1,060	76	-202	-460	-317	
17. Gross Domestic Product	224,195	226,283	227,030	230,310	226,954	233,138	234,744	239,492	243,641	2
	1.8	3.8	1.3	5.9	1.2	5.0	2.8	8.3	7.1	
18. Final Domestic Demand	221,910	221,188	221,187	222,005	221,574	223,829	226,421	227,884	230,956	2
	-1.4	-1.3	0.0	1.5	-0.4	3.3	4.7	2.6	5.5	

Note: Percentage change from previous quarter is given at annual rate on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

## ONTARIO GROSS DOMESTIC PRODUCT AT 1986 PRICES

(millions, seasonally adjusted at annual rates)

TABLE 3

	1995				1996				
	I	II	III	IV	YEAR	I	II	III	IV
Personal expenditure on consumer goods and services	138,757	138,488	139,690	138,857	138,948	139,828			
	0.3	-0.8	3.5	-2.4	1.6	2.8			
Goods	68,174	67,453	67,942	66,747	67,579	67,207			
	0.3	-4.2	2.9	-6.9	1.2	2.8			
Services	70,583	71,035	71,748	72,110	71,369	72,621			
	0.2	2.6	4.1	2.0	2.0	2.9			
Government expenditure on goods and services:	49,966	49,852	49,454	49,539	49,703	48,919			
	0.9	-0.9	-3.2	0.7	-0.2	-4.9			
Current expenditure	43,121	43,234	42,771	42,775	42,975	42,097			
	2.9	1.1	-4.2	0.0	-1.6	-6.2			
Capital expenditure	6,845	6,618	6,683	6,764	6,728	6,822			
	-10.2	-12.6	4.0	4.9	9.4	3.4			
Business gross fixed capital formation:	42,193	43,248	41,632	42,261	42,334	44,088			
	-2.4	10.4	-14.1	6.2	4.0	18.4			
Residential construction	10,190	9,815	9,732	9,615	9,838	9,799			
	-23.8	-13.9	-3.4	-4.7	-13.3	7.9			
Non-residential construction	4,673	4,687	4,780	4,964	4,776	4,899			
	11.7	1.1	8.2	16.4	-4.2	-5.1			
Machinery and equipment	27,330	28,746	27,120	27,682	27,720	29,389			
	5.1	22.4	-20.8	8.5	13.7	27.0			
Exports of goods and services	182,591	175,830	179,726	189,764	181,978	185,656			
	1.4	-14.0	9.2	24.3	9.9	-8.4			
DEDUCT: Imports of goods and services	173,858	168,970	166,096	172,143	170,267	171,646			
	7.9	-10.8	-6.6	15.4	8.8	-1.1			
Value of physical change in inventories:	3,957	3,532	2,193	1,227	2,727	2,095			
Non-farm	3,934	3,401	2,161	1,449	2,736	2,030			
Farm and grain in commercial channels	23	131	32	-223	-9	65			
Statistical Discrepancy	-162	-120	-138	-186	-152	-224			
Gross Domestic Product	243,444	241,860	246,461	249,319	245,271	248,716			
	-0.3	-2.6	7.8	4.7	3.2	-1.0			
Final Domestic Demand	230,917	231,588	230,776	230,658	230,985	232,834			
	-0.1	1.2	-1.4	-0.2	1.6	3.8			

ote: Percentage change from previous quarter is given at annual rate on the second line.

ources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**SOURCES AND DISPOSITION OF ONTARIO PERSONAL INCOME**

(\$ millions, seasonally adjusted at annual rates)

TAB

	1991					1992				
	I	II	III	IV	YEAR	I	II	III	IV	
1. Wages, salaries, and supplementary labour income	156,242	157,805	159,138	159,827	158,253	160,131	160,985	160,934	161,062	161,062
	3.4	4.1	3.4	1.7	2.0	0.8	2.2	-0.1	0.3	
2. Add: Military pay and allowances	1,322	1,323	1,330	1,381	1,339	1,402	1,402	1,428	1,427	1,427
	15.2	0.2	2.0	16.4	4.8	6.2	0.0	7.6	-0.3	
3. Net income of farm operators from farm production	250	302	87	93	183	131	160	276	463	463
	-86.6	111.9	-99.3	30.6	-41.9	293.7	122.5	785.4	691.9	
4. Net income of non-farm unincorporated business including rent	14,210	14,833	15,419	15,218	14,920	15,141	15,204	15,387	15,552	15,552
	3.7	18.7	16.8	-5.1	3.1	-2.0	1.7	4.9	4.4	
5. Interest, dividends, and miscellaneous investment income	37,196	36,142	35,048	33,743	35,532	34,042	33,907	33,526	34,061	34,061
	-2.3	-10.9	-11.6	-14.1	-6.1	3.6	-1.6	-4.4	6.5	
6. Current transfers from government, corporations and non-residents	32,838	35,678	36,788	36,840	35,536	37,617	38,496	40,288	40,689	40,689
	11.2	39.3	13.0	0.6	18.6	8.7	9.7	20.0	4.0	
7. Equals: Personal income	242,058	246,083	247,810	247,102	245,763	248,465	250,154	251,839	253,254	253,254
	3.5	6.8	2.8	-1.1	2.8	2.2	2.7	2.7	2.3	
8. Deduct: Personal direct taxes	55,223	55,104	56,443	57,703	56,118	58,556	56,529	55,497	56,497	56,497
	-1.9	-0.9	10.1	9.2	1.4	6.0	-13.1	-7.1	7.4	
9. Other current transfers to government	928	953	941	912	934	938	961	979	1,003	1,003
	-4.2	11.2	-4.9	-11.8	1.7	11.9	10.2	7.7	10.2	
10. Equals: Personal disposable income	185,907	190,026	190,426	188,487	188,712	188,971	192,664	195,363	195,754	195,754
	5.2	9.2	0.8	-4.0	3.3	1.0	8.1	5.7	0.8	
11. Deduct: Personal expenditure on consumer goods and services	159,399	162,035	164,599	164,352	162,596	164,295	165,374	167,890	168,292	168,292
	-2.9	6.8	6.5	-0.6	2.5	-0.1	2.7	6.2	1.0	
12. Current transfers to corporations	3,708	3,365	3,143	3,160	3,344	2,878	2,665	2,231	2,098	2,098
	2.0	-32.2	-23.9	2.2	-13.9	-31.2	-26.5	-50.9	-21.8	
13. Current transfers to non-residents	262	281	292	316	288	341	349	355	363	363
	28.2	32.3	16.6	37.2	5.1	35.6	9.7	7.1	9.3	
14. Equals: Personal saving	22,538	24,345	22,392	20,659	22,484	21,457	24,277	24,888	25,002	25,002
	96.0	36.1	-28.4	-27.5	12.4	16.3	63.9	10.5	1.8	
15. Personal savings rate	12.1	12.8	11.8	11.0	11.9	11.4	12.6	12.7	12.8	12.8

Note: Percentage change from previous quarter is given at annual rate on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

## SOURCES AND DISPOSITION OF ONTARIO PERSONAL INCOME

(millions, seasonally adjusted at annual rates)

TABLE 4

	1993					1994				
	I	II	III	IV	YEAR	I	II	III	IV	YEAR
Wages, salaries, and supplementary labour income	161,533	161,587	161,803	162,648	161,893	162,792	164,925	167,037	169,723	166,119
	1.2	0.1	0.5	2.1	0.7	0.4	5.3	5.2	6.6	2.6
Add: Military pay and allowances	1,414	1,403	1,386	1,371	1,394	1,445	1,511	1,522	1,569	1,512
	-3.6	-3.1	-4.8	-4.3	-1.5	23.4	19.6	2.9	12.9	8.5
Net income of farm operators from farm production	476	471	462	458	467	160	185	284	245	219
	11.7	-4.1	-7.4	-3.4	-81.7	-98.5	78.7	455.4	-44.6	-53.2
Net income of non-farm unincorporated business including rent	15,902	16,342	16,751	17,153	16,537	16,878	16,897	16,902	16,783	16,865
	9.3	11.5	10.4	10.0	7.9	-6.3	0.5	0.1	-2.8	2.0
Interest, dividends, and miscellaneous investment income	33,349	32,111	31,739	30,885	32,021	30,953	31,785	32,934	33,714	32,347
	-8.1	-14.0	-4.6	-10.3	-5.5	0.9	11.2	15.3	9.8	1.0
Current transfers from government, corporations and non-residents	41,041	41,138	40,768	40,671	40,905	40,849	41,274	41,567	42,078	41,442
	3.5	0.9	-3.5	-0.9	-4.2	1.8	4.2	2.9	5.0	-1.3
Equals: Personal income	253,715	253,053	252,910	253,187	253,217	253,077	256,577	260,246	264,112	258,503
	0.7	-1.0	-0.2	0.4	0.9	-0.2	5.6	5.8	6.1	-2.1
Deduct: Personal direct taxes	56,035	54,252	57,440	60,282	57,002	57,004	58,337	59,700	60,539	58,895
	-3.2	-12.1	25.7	21.3	0.4	-20.0	9.7	9.7	5.7	3.3
Other current transfers to government	1,066	1,130	1,205	727	1,032	773	941	1,133	1,360	1,052
	27.6	26.3	29.3	-86.8	6.4	27.8	119.6	110.2	107.6	1.9
Equals: Personal disposable income	196,615	197,672	194,265	192,178	195,183	195,300	197,299	199,412	202,213	198,556
	1.8	2.2	-6.7	-4.2	1.0	6.7	4.2	4.4	5.7	-1.7
Deduct: Personal expenditure on consumer goods and services	169,554	170,776	171,955	173,723	171,502	175,186	176,343	177,454	180,186	177,292
	3.0	2.9	2.8	4.2	3.0	3.4	2.7	2.5	6.3	3.4
Current transfers to corporations	2,130	2,017	1,845	1,868	1,965	1,691	1,694	2,036	2,007	1,857
	6.2	-19.6	-30.0	5.1	-20.4	-32.8	0.7	108.7	-5.6	-15.5
Current transfers to non-residents	371	370	368	367	369	385	387	391	393	389
	9.1	-1.1	-2.1	-1.1	-4.8	24.4	2.6	6.4	2.6	5.4
Equals: Personal saving	24,560	24,509	20,097	16,220	21,347	18,037	18,875	19,531	19,626	19,017
	-6.9	-0.8	-54.8	-57.6	-10.7	52.9	19.9	14.7	2.0	-10.9
Personal savings rate	12.5	12.4	10.3	8.4	10.9	9.2	9.6	9.8	9.7	9.6

te: Percentage change from previous quarter is given at annual rate on the second line.

urces: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**SOURCES AND DISPOSITION OF ONTARIO PERSONAL INCOME**

(\$ millions, seasonally adjusted at annual rates)

TABLE

	1995					1996				
	I	II	III	IV	YEAR	I	II	III	IV	YEAR
1. Wages, salaries, and supplementary labour income	170,545	169,724	172,531	174,755	171,889	174,913				
	2.0	-1.9	6.8	5.3	3.5	0.4				
2. Add: Military pay and allowances	1,513	1,490	1,354	1,311	1,417	1,222				
	-13.5	-5.9	-31.8	-12.1	-6.3	-24.6				
3. Net income of farm operators from farm production	242	348	388	457	359	509				
	-4.8	327.6	54.5	92.5	64.2	54.4				
4. Net income of non-farm unincorporated business including rent	16,930	17,057	17,227	17,426	17,160	17,589				
	3.5	3.0	4.0	4.7	1.7	3.8				
5. Interest, dividends, and miscellaneous investment income	34,521	35,342	35,653	35,614	35,283	35,618				
	9.9	9.9	3.6	-0.4	9.1	0.0				
6. Current transfers from government, corporations and non-residents	42,030	41,278	41,298	40,689	41,324	41,452				
	-0.5	-7.0	0.2	-5.8	-0.3	7.7				
7. Equals: Personal income	265,781	265,239	268,451	270,252	267,431	271,302				
	2.6	-0.8	4.9	2.7	3.5	1.6				
8. Deduct: Personal direct taxes	60,843	61,913	63,843	64,190	62,597	64,404				
	2.0	7.2	13.1	2.2	6.5	1.3				
9. Other current transfers to government	1,283	1,071	938	812	1,026	841				
	-20.8	-51.4	-41.2	-43.8	-2.4	15.1				
10. Equals: Personal disposable income	203,655	202,255	203,670	205,250	203,708	206,057				
	2.9	-2.7	2.8	3.1	2.6	1.6				
11. Deduct: Personal expenditure on consumer goods and services	181,453	182,335	184,567	183,691	183,012	185,656				
	2.8	2.0	5.0	-1.9	3.2	4.3				
12. Current transfers to corporations	2,289	2,621	2,742	2,739	2,598	2,615				
	69.2	71.9	19.8	-0.4	39.9	-16.9				
13. Current transfers to non-residents	408	408	409	409	409	422				
	16.2	0.0	1.0	0.0	5.0	13.5				
14. Equals: Personal saving	19,505	16,891	15,952	18,411	17,690	17,364				
	-2.5	-43.8	-20.5	77.5	-7.0	-20.9				
15. Personal savings rate	9.6	8.4	7.8	9.0	8.7	8.4				

Note: Percentage change from previous quarter is given at annual rate on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

## ONTARIO TRADE

(\$ millions, seasonally adjusted at annual rates)

TABLE 5

	1991				1992				IV YEAR
	I	II	III	IV	I	II	III	IV	
1. Exports of Goods and Services	125,684	131,544	134,486	136,270	131,996	135,988	140,518	148,688	140,970
	-19.4	20.0	9.3	5.4	-4.5	-0.8	14.0	-5.1	32.1
2. Of Which: International	71,200	76,274	80,344	82,798	77,654	84,448	87,644	85,938	95,006
	-14.3	31.7	23.1	12.8	-1.6	8.2	16.0	-7.6	49.4
3. Goods	59,488	64,204	68,270	70,330	65,573	72,016	74,888	73,636	82,168
	-16.9	35.7	27.8	12.6	-2.9	9.9	16.9	-6.5	55.0
4. Services	11,712	12,070	12,074	12,468	12,081	12,432	12,756	12,302	12,838
	0.7	12.8	0.1	13.7	6.4	-1.1	10.8	-13.5	18.6
5. Of Which: Interprovincial Goods and Services	54,485	55,271	54,142	53,473	54,342	51,541	52,874	52,749	53,683
	-25.5	5.9	-7.9	-4.9	-8.3	-13.8	10.8	-0.9	7.3
6. Imports of Goods and Services	114,192	114,420	120,909	123,281	118,201	120,655	124,403	126,739	134,560
	-19.6	0.8	24.7	8.1	-2.7	-8.3	13.0	7.7	27.1
7. Trade Balance	11,492	17,124	13,577	12,989	13,796	15,333	16,115	11,948	14,381

Note: Percentage change from previous quarter is given at annual rate on the second line.

Source: Office of Economic Policy, Ontario Ministry of Finance

## ONTARIO TRADE

(\$ millions, seasonally adjusted at annual rates)

TABLE 5

	1993				1994				IV YEAR
	I	II	III	IV	YEAR	I	II	III	
1. Exports of Goods and Services									
5.2	10.3	2.1	29.8	11.0	165,418	165,474	178,072	186,068	199,418
97,158	100,520	100,098	109,536	101,828	109,112	119,546	125,426	136,368	122,613
9.4	14.6	-1.7	43.4	15.4	-1.5	44.1	21.2	39.7	20.4
3. Goods									
8.7	13.4	-5.0	46.6	15.6	-2.5	47.6	24.6	42.2	21.2
13,258	13,942	14,622	15,486	14,327	15,656	16,536	16,592	17,520	16,576
13.7	22.3	21.0	25.8	13.9	4.5	24.5	1.4	24.3	15.7
53,421	53,810	55,052	56,078	54,590	56,382	58,526	60,642	63,050	59,645
-1.9	2.9	9.6	7.7	3.6	2.0	16.3	15.3	16.9	9.3
6. Imports of Goods and Services									
4.1	8.9	-2.9	29.8	10.5	8.6	33.9	12.6	34.2	17.4
14,669	15,496	17,319	18,490	16,493	15,293	16,534	19,649	20,300	17,944
7. Trade Balance									

Note: Percentage change from previous quarter is given at annual rate on the second line.

Source: Office of Economic Policy, Ontario Ministry of Finance

**ONTARIO TRADE**

(\$ millions, seasonally adjusted at annual rates)

TABLE 5

	1995				1996				YEAR
	I	II	III	IV	I	II	III	IV	
1. Exports of Goods and Services	203,954	196,476	199,136	210,448	202,504	207,378			
	9.4	-13.9	5.5	24.7	11.1	-5.7			
2. Of Which: International	141,750	135,608	137,604	148,144	140,777	146,506			
	16.7	-16.2	6.0	34.3	14.8	-4.3			
3. Goods	123,764	117,988	119,916	128,884	122,638	127,108			
	17.6	-17.4	6.7	33.4	15.7	-5.4			
4. Services	17,986	17,620	17,688	19,260	18,139	19,398			
	11.1	-7.9	1.6	40.6	9.4	2.9			
5. Of Which: Interprovincial Goods and Services	62,204	60,868	61,532	62,304	61,727	60,872			
	-5.3	-8.3	4.4	5.1	3.5	-8.9			
6. Imports of Goods and Services	186,724	180,460	174,949	179,889	180,506	180,400			
	18.1	-12.8	-11.7	11.8	9.9	1.1			
7. Trade Balance	17,230	16,016	24,187	30,559	21,998	26,978			

Note: Percentage change from previous quarter is given at annual rate on the second line.

Source: Office of Economic Policy, Ontario Ministry of Finance

**RELATIONSHIP BETWEEN ONTARIO GROSS DOMESTIC PRODUCT  
AND ONTARIO GROSS PROVINCIAL PRODUCT**  
(\$ millions, seasonally adjusted at annual rates)

TABLE 6

	1991				1992					
	I	II	III	IV	YEAR	I	II	III	IV	YEAR
1. Gross Domestic Product at market prices	271,557	278,451	280,985	282,857	278,463	283,165	283,605	282,085	282,333	282,802
	1.9	10.5	3.7	2.7	0.3	0.5	0.6	-2.1	0.4	1.6
2. Less: Investment income paid to non-residents	13,452	13,151	13,363	13,479	13,361	14,192	13,725	13,220	13,795	13,733
	-11.3	-8.6	6.6	3.5	-5.4	22.9	-12.5	-13.9	18.6	2.6
3. Plus: Investment income received from non-residents	6,751	6,331	5,893	6,857	6,458	5,966	5,827	6,107	5,820	5,930
	-8.7	-22.7	-24.9	83.3	-3.2	-42.7	-9.0	20.6	-17.5	-8.2
4. Equals: Gross Provincial Product at market prices	264,855	271,631	273,513	276,235	271,559	274,959	275,707	274,971	274,358	274,999
	2.4	10.6	2.8	4.0	0.6	-1.8	1.1	-1.1	-0.9	1.3

Note: Percentage change from previous quarter is given at annual rate on the second line.

Source: Office of Economic Policy, Ontario Ministry of Finance

**RELATIONSHIP BETWEEN ONTARIO GROSS DOMESTIC PRODUCT  
AND ONTARIO GROSS PROVINCIAL PRODUCT**  
(\$ millions, seasonally adjusted at annual rates)

TABLE 6

	1993				1994					
	I	II	III	IV	YEAR	I	II	III	IV	YEAR
1. Gross Domestic Product at market prices	283,890 2.2	287,096 4.6	286,945 2.6	294,348 7.7	288,569 2.0	294,628 0.4	299,061 6.2	303,730 6.4	306,910 4.3	301,082 4.3
2. Less: Investment income paid to non-residents	13,930 4.0	13,708 -6.2	14,068 10.9	14,648 17.5	14,088 2.6	14,637 -0.3	16,716 70.1	15,218 -31.3	15,741 14.5	15,578 10.6
3. Plus: Investment income received from non-residents	6,728 78.7	6,530 -11.3	6,207 -18.4	6,498 20.1	6,491 9.5	6,098 -22.4	6,999 73.6	7,004 0.3	7,976 68.2	7,019 8.1
4. Equals: Gross Provincial Product at market prices	276,689 3.4	279,916 4.8	281,084 1.7	286,198 7.5	280,972 2.2	286,090 -0.2	289,344 4.6	295,515 8.8	298,145 5.0	292,523 4.1

Note: Percentage change from previous quarter is given at annual rate on the second line.

Source: Office of Economic Policy, Ontario Ministry of Finance

**RELATIONSHIP BETWEEN ONTARIO GROSS DOMESTIC PRODUCT  
AND ONTARIO GROSS PROVINCIAL PRODUCT**  
(\$ millions, seasonally adjusted at annual rates)

TABLE 6

	1995				1996			
	I	II	III	IV	YEAR	I	II	III
1. Gross Domestic Product at market prices	308,955 2.7	309,290 0.4	315,444 8.2	319,588 5.4	313,319 4.1	318,994 -1.5		
2. Less: Investment income paid to non-residents	16,735 27.8	16,988 6.2	16,237 -16.6	16,269 0.8	16,558 6.3	15,930 -8.1		
3. Plus: Investment income received from non-residents	8,208 12.1	8,281 3.6	8,190 -4.3	8,706 27.7	8,346 18.9	8,301 -17.3		
4. Equals: Gross Provincial Product at market prices	300,427 1.7	300,583 0.2	307,397 9.4	312,024 6.2	305,108 -4.3	310,766 -1.6		

Note: Percentage change from previous quarter is given at annual rate on the second line.

Source: Office of Economic Policy, Ontario Ministry of Finance

**ONTARIO DEFLATORS**  
(1986 = 100)

TABLE 7

	1991					1992				
	I	II	III	IV	YEAR	I	II	III	IV	YEAR
1. Personal expenditure on consumer goods and services	123.7 8.2	124.8 3.7	125.5 2.3	125.1 -1.3	124.8 4.5	125.4 1.0	125.9 1.5	126.9 3.1	127.4 1.6	126.4 1.3
2. Goods	121.8 6.4	122.8 3.5	123.5 2.0	122.4 -3.4	122.6 3.8	122.2 -0.5	122.6 1.0	123.2 2.1	123.4 0.7	122.9 0.2
3. Services	125.5 9.8	126.7 3.9	127.5 2.5	127.7 0.5	126.8 5.0	128.4 2.4	129.0 1.9	130.3 4.0	131.1 2.5	129.7 2.3
4. Government expenditure on goods and services:	121.3 4.8	122.2 3.0	123.9 5.8	126.1 7.1	123.4 3.9	125.8 -0.7	125.6 -0.6	126.2 1.7	126.0 -0.7	125.9 2.1
5. Current expenditure	123.5 6.0	124.7 4.1	126.9 7.1	129.5 8.5	126.2 5.1	129.3 -0.6	129.3 0.0	130.3 3.1	130.3 0.0	129.8 2.9
6. Capital expenditure	104.8 -6.6	103.4 -5.2	101.7 -6.4	100.7 -3.9	102.7 -5.5	100.2 -2.0	98.7 -5.9	96.9 -7.0	95.5 -5.8	97.8 -4.7
7. Business gross fixed capital formation:	108.4 -7.9	109.3 3.3	109.6 1.0	107.9 -6.1	108.8 -3.7	106.8 -4.0	105.0 -6.7	103.3 -6.1	101.4 -7.3	104.1 -4.3
8. Residential construction	133.1 9.5	135.1 6.1	134.0 -3.1	131.4 -7.6	133.4 1.2	131.5 0.3	131.1 -1.2	131.0 -0.3	130.5 -1.5	131.0 -1.8
9. Non-residential construction	120.5 -8.2	118.5 -6.3	117.8 -2.5	116.6 -4.0	118.4 -3.3	116.7 0.3	116.8 0.3	116.7 -0.3	117.0 1.0	116.8 -1.3
10. Machinery and equipment	88.4 -19.5	89.3 4.2	89.8 2.3	88.7 -4.8	89.0 -6.5	86.2 -10.8	84.2 -9.0	81.6 -11.8	80.0 -7.6	83.0 -6.8
11. Exports of goods and services	106.4 -1.2	104.9 -5.4	103.7 -4.5	103.9 0.8	104.7 -1.0	104.5 2.3	105.2 2.5	105.2 0.2	106.7 5.8	105.4 0.6
12. DEDUCT: Imports of goods and services	100.3 -5.8	97.8 -9.6	96.6 -4.9	94.8 -7.2	97.4 -2.1	96.8 8.7	97.3 2.3	98.0 2.7	101.0 12.8	98.3 0.9
13. Value of physical change in inventories:	104.8	73.2	216.8	-4372.5	109.2	172.2	95.0	161.2	78.2	114.3
14. Non-farm	34.6	73.1	216.1	-721.2	109.0	196.9	87.0	175.5	77.1	113.9
15. Farm and grain in commercial channels	136.7	78.8	-393.7	94.2	101.4	105.2	426.7	107.3	103.6	117.8
16. Gross Domestic Product	123.5 7.9	125.4 6.3	125.5 0.3	127.0 4.7	125.4 3.6	126.1 -2.9	125.9 -0.6	125.9 0.0	126.5 2.0	126.1 0.6
17. Final Domestic Demand	120.4 4.5	121.4 3.5	122.2 2.8	122.1 -0.3	121.5 2.9	122.1 -0.1	122.1 0.1	122.6 1.5	122.5 -0.2	122.3 0.7

Note: Percentage change from previous quarter is given at annual rate on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO DEFATORS**

(1986 = 100)

TABLE

	1993					1994				
	I	II	III	IV	YEAR	I	II	III	IV	YEAR
1. Personal expenditure on consumer goods and services	127.8 1.3	128.4 1.8	129.2 2.7	129.9 2.1	128.8 1.9	129.4 -1.4	129.4 -0.2	129.8 1.4	129.9 0.4	129.9 0.4
2. Goods	123.7 1.1	124.0 0.8	124.7 2.4	125.6 2.8	124.5 1.4	124.3 -4.1	123.1 -3.9	123.3 0.7	123.6 1.0	123.6 -0.6
3. Services	131.6 1.5	132.5 2.6	133.4 2.8	133.9 1.5	132.8 2.4	134.3 1.2	135.4 3.3	136.1 2.0	136.1 0.0	135.2 2.0
4. Government expenditure on goods and services:	126.8 2.6	127.0 0.7	127.7 2.2	127.8 0.2	127.3 1.1	127.9 0.5	128.1 0.5	128.0 -0.1	128.5 1.4	128.5 0.0
5. Current expenditure	130.7 1.2	130.7 0.1	131.3 1.8	131.3 0.0	131.0 0.9	131.7 1.2	132.1 1.2	132.3 0.6	133.2 2.7	132.1 1.1
6. Capital expenditure	96.8 5.6	96.7 -0.4	96.9 0.8	96.2 -2.9	96.7 -1.2	96.7 2.1	97.6 3.8	98.8 5.0	99.6 3.3	98.1 1.1
7. Business gross fixed capital formation:	100.4 -4.0	101.2 3.3	102.9 7.1	103.9 3.9	102.1 -2.0	103.3 -2.1	102.6 -2.6	100.7 -7.3	99.2 -5.9	101.0 -0.6
8. Residential construction	130.8 0.8	131.0 0.7	132.2 3.6	132.2 0.2	131.5 0.4	133.6 4.3	134.7 3.3	134.8 0.3	136.3 4.5	134.7 2.0
9. Non-residential construction	118.4 4.9	117.8 -2.0	118.5 2.4	118.9 1.4	118.4 1.4	120.3 4.8	122.4 7.2	123.8 4.7	125.3 4.9	123.3 3.3
10. Machinery and equipment	79.3 -3.5	80.4 5.7	82.1 8.7	83.7 7.9	81.4 -2.0	83.4 -1.3	82.4 -4.7	80.8 -7.5	79.8 -4.9	81.0 0.0
11. Exports of goods and services	107.4 2.7	107.7 1.1	108.5 2.9	108.8 1.2	108.1 2.6	107.9 -3.3	112.0 16.1	110.9 -3.9	109.6 -4.6	110.0 1.1
12. DEDUCT: Imports of goods and services	101.2 0.8	101.6 1.6	102.2 2.4	102.3 0.4	101.8 3.6	103.2 3.6	106.2 12.1	105.5 -2.5	105.0 -2.0	105.0 3.0
13. Value of physical change in inventories:	114.9	-357.7	135.5	57.1	126.1	138.0	73.0	90.7	53.1	87.0
14. Non-farm	136.3	161.3	136.5	105.6	137.0	148.5	71.2	94.8	70.7	93.0
15. Farm and grain in commercial channels	-60.9	324.2	266.5	52.9	#####	54.9	135.2	-155.3	-213.6	-352.0
16. Gross Domestic Product	126.6 0.3	126.8 0.8	127.2 1.3	127.7 1.7	127.1 0.8	126.4 -4.2	127.4 3.3	126.8 -1.8	126.0 -2.7	126.0 -0.0
17. Final Domestic Demand	122.8 0.8	123.4 2.1	124.3 3.1	124.9 1.8	123.9 1.2	124.6 -1.0	124.3 -0.8	124.1 -0.6	124.0 -0.5	124.0 0.0

Note: Percentage change from previous quarter is given at annual rate on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO DEFATORS**  
(1986 = 100)

TABLE 7

	1995					1996				
	I	II	III	IV	YEAR	I	II	III	IV	YEAR
1. Personal expenditure on consumer goods and services	130.8 2.6	131.7 2.8	132.1 1.4	132.3 0.5	131.7 1.6	132.8 1.5				
2. Goods	124.4 2.6	125.3 2.9	125.5 0.6	125.1 -1.1	125.1 1.2	125.4 0.8				
3. Services	136.9 2.5	137.7 2.3	138.4 2.0	138.9 1.5	138.0 1.9	139.6 2.0				
4. Government expenditure on goods and services:	128.6 0.6	128.6 0.0	128.2 -1.4	128.0 -0.4	128.4 0.2	127.6 -1.3				
5. Current expenditure	133.4 0.6	133.4 0.0	133.2 -0.6	133.6 1.2	133.4 0.8	133.5 -0.3				
6. Capital expenditure	98.7 -3.6	97.5 -4.8	96.0 -6.0	92.9 -12.3	96.3 -1.9	91.4 -6.3				
7. Business gross fixed capital formation:	98.0 -4.7	97.1 -3.6	96.4 -2.9	94.3 -8.3	96.5 -4.9	93.5 -3.4				
8. Residential construction	134.8 -4.3	135.0 0.6	137.3 7.0	135.6 -4.9	135.7 0.6	135.7 0.3				
9. Non-residential construction	125.9 1.9	125.7 -0.6	126.5 2.6	126.6 0.3	126.2 2.6	126.1 -1.6				
10. Machinery and equipment	79.5 -1.5	79.5 0.0	76.4 -14.7	74.2 -11.0	77.4 -5.1	74.0 -1.1				
11. Exports of goods and services	111.7 7.9	111.7 0.2	110.8 -3.3	110.9 0.4	111.3 1.1	111.7 2.9				
12. DEDUCT: Imports of goods and services	107.4 9.5	106.8 -2.2	105.3 -5.4	104.5 -3.1	106.0 1.0	105.1 2.3				
13. Value of physical change in inventories:	104.7	121.9	129.8	155.2	121.1	94.8				
14. Non-farm	108.4	125.4	128.8	136.6	121.4	98.6				
15. Farm and grain in commercial channels	-510.2	32.1	194.1	34.1	235.6	-24.6				
16. Gross Domestic Product	126.9 3.0	127.9 3.1	128.0 0.3	128.2 0.6	127.7 0.9	128.0 -0.5				
17. Final Domestic Demand	124.3 1.1	124.6 0.8	124.8 0.9	124.4 -1.3	124.5 0.2	124.3 -0.5				

Note: Percentage change from previous quarter is given at annual rate on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT, (INCOME BASED)**  
(\$ millions)

**TABLE 8**

	1991	1992	1993	1994	1995
1. Wages, salaries, and supplementary labour income	160,755 1.9	163,477 1.7	164,635 0.7	167,834 1.9	173,124 3.2
2. Military pay and allowances	1,339 4.8	1,415 5.7	1,394 -1.5	1,512 8.5	1,417 -6.3
3. Corporation profits before taxes	15,920 -19.4	15,961 0.3	18,931 18.6	24,967 31.9	28,678 14.9
4. Interest and miscellaneous investment income	15,806 -5.7	16,472 4.2	14,941 -9.3	16,303 9.1	16,478 1.1
5. Accrued net income of farm operators from farm production	273 -22.4	218 -20.1	323 48.2	246 -23.8	416 69.1
6. Net income of non-farm unincorporated business including rent	14,920 3.1	15,321 2.7	16,537 7.9	16,865 2.0	17,160 1.7
7. Inventory valuation adjustment	751	-948	-1,211	-2,608	-1,548
8. Net Domestic Income at factor cost	209,764 -0.3	211,916 1.0	215,549 1.7	225,119 4.4	235,725 4.7
9. Indirect taxes less subsidies	35,883 -2.0	37,643 4.9	38,633 2.6	40,529 4.9	41,113 1.4
10. Capital consumption allowances and miscellaneous valuation adjustments	32,816 7.4	33,244 1.3	34,387 3.4	35,434 3.0	36,481 3.0
11. Gross Domestic Product at market prices	278,463 0.3	282,803 1.6	288,569 2.0	301,082 4.3	313,319 4.1

**Note:** Percentage change from previous year is given on the second line.

**Sources:** Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT, (EXPENDITURE BASED)**  
(\$ millions)

TABLE 9

	1991	1992	1993	1994	1995
<b>1. Personal expenditure on consumer goods and services:</b>	<b>162,596</b>	<b>166,462</b>	<b>171,502</b>	<b>177,292</b>	<b>183,012</b>
	2.5	2.4	3.0	3.4	3.2
<b>2. Goods</b>	<b>77,194</b>	<b>77,802</b>	<b>79,885</b>	<b>82,515</b>	<b>84,531</b>
	-0.4	0.8	2.7	3.3	2.4
<b>3. Services</b>	<b>85,402</b>	<b>88,660</b>	<b>91,617</b>	<b>94,777</b>	<b>98,480</b>
	5.3	3.8	3.3	3.4	3.9
<b>4. Government expenditure on goods and services:</b>	<b>61,951</b>	<b>64,031</b>	<b>63,865</b>	<b>63,816</b>	<b>63,806</b>
	9.0	3.4	-0.3	-0.1	0.0
<b>5. Current expenditure</b>	<b>55,795</b>	<b>57,971</b>	<b>58,623</b>	<b>57,772</b>	<b>57,329</b>
	9.5	3.9	1.1	-1.5	-0.8
<b>6. Capital expenditure</b>	<b>6,156</b>	<b>6,060</b>	<b>5,242</b>	<b>6,044</b>	<b>6,477</b>
	4.6	-1.6	-13.5	15.3	7.2
<b>7. Business gross fixed capital formation:</b>	<b>44,147</b>	<b>41,643</b>	<b>39,075</b>	<b>41,292</b>	<b>40,833</b>
	-9.8	-5.7	-6.2	5.7	-1.1
<b>8. Residential construction</b>	<b>15,687</b>	<b>15,781</b>	<b>14,668</b>	<b>15,299</b>	<b>13,346</b>
	-12.9	0.6	-7.1	4.3	-12.8
<b>9. Non-residential construction</b>	<b>11,347</b>	<b>9,257</b>	<b>7,459</b>	<b>6,123</b>	<b>6,026</b>
	-7.5	-18.4	-19.4	-17.9	-1.6
<b>10. Machinery and equipment</b>	<b>17,113</b>	<b>16,605</b>	<b>16,948</b>	<b>19,871</b>	<b>21,460</b>
	-8.2	-3.0	2.1	17.2	8.0
<b>11. Exports of goods and services</b>	<b>131,996</b>	<b>140,970</b>	<b>156,418</b>	<b>182,258</b>	<b>202,504</b>
	-4.5	6.8	11.0	16.5	11.1
<b>12. DEDUCT: Imports of goods and services</b>	<b>118,201</b>	<b>126,589</b>	<b>139,925</b>	<b>164,314</b>	<b>180,506</b>
	-2.7	7.1	10.5	17.4	9.9
<b>13. Value of physical change in inventories:</b>	<b>-2,315</b>	<b>-2,553</b>	<b>-1,061</b>	<b>1,449</b>	<b>3,301</b>
<b>14. Non-farm</b>	<b>-2,219</b>	<b>-2,255</b>	<b>-1,152</b>	<b>1,479</b>	<b>3,323</b>
<b>15. Farm and grain in commercial channels</b>	<b>-96</b>	<b>-298</b>	<b>91</b>	<b>-30</b>	<b>-22</b>
<b>16. Statistical Discrepancy</b>	<b>-1,711</b>	<b>-1,161</b>	<b>-1,305</b>	<b>-711</b>	<b>369</b>
<b>17. Gross Domestic Product at market prices</b>	<b>278,463</b>	<b>282,803</b>	<b>288,569</b>	<b>301,082</b>	<b>313,319</b>
	0.3	1.6	2.0	4.3	4.1
<b>18. Gross Domestic Product in constant (1986) dollars</b>	<b>222,106</b>	<b>224,330</b>	<b>226,954</b>	<b>237,754</b>	<b>245,271</b>
	-3.2	1.0	1.2	4.7	3.2

Note: Percentage change from previous year is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT AT 1986 PRICES**  
(\$ millions)

**TABLE 10**

	1991	1992	1993	1994	1995
<b>1. Personal expenditure on consumer goods and services:</b>	<b>130,279</b>	<b>131,681</b>	<b>133,120</b>	<b>136,747</b>	<b>138,948</b>
	-1.9	1.1	1.1	2.7	1.6
<b>2. Goods</b>	<b>62,953</b>	<b>63,330</b>	<b>64,153</b>	<b>66,783</b>	<b>67,579</b>
	-4.1	0.6	1.3	4.1	1.2
<b>3. Services</b>	<b>67,326</b>	<b>68,351</b>	<b>68,967</b>	<b>69,964</b>	<b>71,369</b>
	0.3	1.5	0.9	1.4	2.0
<b>4. Government expenditure on goods and services:</b>	<b>50,215</b>	<b>50,856</b>	<b>50,170</b>	<b>49,811</b>	<b>49,703</b>
	4.9	1.3	-1.3	-0.7	-0.2
<b>5. Current expenditure</b>	<b>44,216</b>	<b>44,660</b>	<b>44,747</b>	<b>43,661</b>	<b>42,975</b>
	4.2	1.0	0.2	-2.4	-1.6
<b>6. Capital expenditure</b>	<b>5,999</b>	<b>6,196</b>	<b>5,423</b>	<b>6,150</b>	<b>6,728</b>
	10.7	3.3	-12.5	13.4	9.4
<b>7. Business gross fixed capital formation:</b>	<b>40,566</b>	<b>39,996</b>	<b>38,282</b>	<b>40,714</b>	<b>42,334</b>
	-6.2	-1.4	-4.3	6.4	4.0
<b>8. Residential construction</b>	<b>11,761</b>	<b>12,044</b>	<b>11,150</b>	<b>11,346</b>	<b>9,838</b>
	-13.8	2.4	-7.4	1.8	-13.3
<b>9. Non-residential construction</b>	<b>9,586</b>	<b>7,926</b>	<b>6,300</b>	<b>4,985</b>	<b>4,776</b>
	-4.4	-17.3	-20.5	-20.9	-4.2
<b>10. Machinery and equipment</b>	<b>19,219</b>	<b>20,026</b>	<b>20,832</b>	<b>24,383</b>	<b>27,720</b>
	-1.8	4.2	4.0	17.0	13.7
<b>11. Exports of goods and services</b>	<b>126,097</b>	<b>133,737</b>	<b>144,687</b>	<b>165,521</b>	<b>181,978</b>
	-3.5	6.1	8.2	14.4	9.9
<b>12. DEDUCT: Imports of goods and services</b>	<b>121,510</b>	<b>128,748</b>	<b>137,404</b>	<b>156,478</b>	<b>170,267</b>
	-0.5	6.0	6.7	13.9	8.8
<b>13. Value of physical change in inventories</b>	<b>-2,120</b>	<b>-2,233</b>	<b>-841</b>	<b>1,665</b>	<b>2,727</b>
<b>14. Non-farm</b>	<b>-2,036</b>	<b>-1,980</b>	<b>-841</b>	<b>1,581</b>	<b>2,736</b>
<b>15. Farm and grain in commercial channels</b>	<b>-84</b>	<b>-253</b>	<b>0</b>	<b>84</b>	<b>-9</b>
<b>16. Statistical Discrepancy</b>	<b>-1,421</b>	<b>-959</b>	<b>-1,060</b>	<b>-226</b>	<b>-152</b>
<b>17. Gross Domestic Product</b>	<b>222,106</b>	<b>224,330</b>	<b>226,954</b>	<b>237,754</b>	<b>245,271</b>
	-3.2	1.0	1.2	4.7	3.2
<b>18. Final Domestic Demand (1986) dollars</b>	<b>221,062</b>	<b>222,534</b>	<b>221,574</b>	<b>227,272</b>	<b>230,985</b>
	-1.3	0.7	-0.4	2.6	1.6

Notes: Percentage change from previous year is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**SOURCES AND DISPOSITION OF ONTARIO PERSONAL INCOME**

(\$ millions)

TABLE 11

	1991	1992	1993	1994	1995
1. Wages, salaries, and supplementary labour income	158,253 2.0	160,778 1.6	161,893 0.7	166,119 2.6	171,889 3.5
2. Add: Military pay and allowances	1,339 4.8	1,415 5.7	1,394 -1.5	1,512 8.5	1,417 -6.3
3. Net income of farm operators from farm production	183 -41.9	257 40.4	467 81.7	219 -53.2	359 64.2
4. Net income of non-farm unincorporated business including rent	14,920 3.1	15,321 2.7	16,537 7.9	16,865 2.0	17,160 1.7
5. Interest, dividends, and miscellaneous investment income	35,532 -6.1	33,884 -4.6	32,021 -5.5	32,347 1.0	35,283 9.1
6. Current transfers from government, corporations and non-residents	35,536 18.6	39,273 10.5	40,905 4.2	41,442 1.3	41,324 -0.3
7. Equals: Personal income	245,763 2.8	250,928 2.1	253,217 0.9	258,503 2.1	267,431 3.5
8. Deduct: Personal direct taxes	56,118 1.4	56,770 1.2	57,002 0.4	58,895 3.3	62,697 6.5
9. Other current transfers to government	934 1.7	970 4.0	1,032 6.4	1,052 1.9	1,026 -2.4
10. Equals: Personal disposable income	188,712 3.3	193,188 2.4	195,183 1.0	198,556 1.7	203,708 2.6
11. Deduct: Personal expenditure on consumer goods and services	162,596 2.5	166,462 2.4	171,502 3.0	177,292 3.4	183,012 3.2
12. Current transfers to corporations	3,344 -13.9	2,468 -26.2	1,965 -20.4	1,857 -5.5	2,598 39.9
13. Current transfers to non-residents	288 5.1	352 22.2	369 4.8	389 5.4	409 5.0
14. Equals: Personal saving	22,484 12.4	23,906 6.3	21,347 -10.7	19,017 -10.9	17,690 -7.0
15. Personal savings rate	11.9	12.4	10.9	9.6	8.7

Note: Percentage change from previous year is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO TRADE**  
(\$ millions)

**TABLE 12**

	1991	1992	1993	1994	1995
<b>1. Exports of Goods and Services</b>	<b>131,996</b>	<b>140,970</b>	<b>156,418</b>	<b>182,258</b>	<b>202,504</b>
	-4.5	6.8	11.0	16.5	11.1
<b>2. Of Which: International</b>	<b>77,654</b>	<b>88,259</b>	<b>101,828</b>	<b>122,613</b>	<b>140,777</b>
	-1.6	13.7	15.4	20.4	14.8
<b>3. Goods</b>	<b>65,573</b>	<b>75,677</b>	<b>87,501</b>	<b>106,037</b>	<b>122,638</b>
	-2.9	15.4	15.6	21.2	15.7
<b>4. Services</b>	<b>12,081</b>	<b>12,582</b>	<b>14,327</b>	<b>16,576</b>	<b>18,139</b>
	6.4	4.1	13.9	15.7	9.4
<b>5. Of Which: Interprovincial Goods and Services</b>	<b>54,342</b>	<b>52,711</b>	<b>54,590</b>	<b>59,645</b>	<b>61,727</b>
	-8.3	-3.0	3.6	9.3	3.5
<b>6. Imports of Goods and Services</b>	<b>118,201</b>	<b>126,589</b>	<b>139,925</b>	<b>164,314</b>	<b>180,506</b>
	-2.7	7.1	10.5	17.4	9.9
<b>7. Trade Balance</b>	<b>13,796</b>	<b>14,381</b>	<b>16,493</b>	<b>17,944</b>	<b>21,998</b>

Note: Percentage change from previous year is given on the second line.

Source: Office of Economic Policy, Ontario Ministry of Finance

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**RELATIONSHIP BETWEEN ONTARIO GROSS DOMESTIC PRODUCT  
AND ONTARIO GROSS PROVINCIAL PRODUCT**

(\$ millions)

TABLE 13

	1991	1992	1993	1994	1995
<b>1. Gross Domestic Product at market prices</b>	<b>278,463</b> 0.3	<b>282,802</b> 1.6	<b>288,569</b> 2.0	<b>301,082</b> 4.3	<b>313,319</b> 4.1
<b>2. Less: Investment income paid to non-residents</b>	<b>13,361</b> -5.4	<b>13,733</b> 2.8	<b>14,088</b> 2.6	<b>15,578</b> 10.6	<b>16,558</b> 6.3
<b>3. Plus: Investment income received from non-residents</b>	<b>6,458</b> -3.2	<b>5,930</b> -8.2	<b>6,491</b> 9.5	<b>7,019</b> 8.1	<b>8,346</b> 18.9
<b>4. Equals: Gross Provincial Product at market prices</b>	<b>271,559</b> 0.6	<b>274,999</b> 1.3	<b>280,972</b> 2.2	<b>292,523</b> 4.1	<b>305,108</b> 4.3

Note: Percentage change from previous year is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

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**ONTARIO DEFATORS**  
(1986 = 100)

**TABLE 14**

	1991	1992	1993	1994	1995
<b>1. Personal expenditure on consumer goods and services:</b>	<b>124.8</b>	<b>126.4</b>	<b>128.8</b>	<b>129.6</b>	<b>131.7</b>
	4.5	1.3	1.9	0.6	1.6
<b>2. Goods</b>	<b>122.6</b>	<b>122.9</b>	<b>124.5</b>	<b>123.6</b>	<b>125.1</b>
	3.8	0.2	1.4	-0.8	1.2
<b>3. Services</b>	<b>126.8</b>	<b>129.7</b>	<b>132.8</b>	<b>135.5</b>	<b>138.0</b>
	5.0	2.3	2.4	2.0	1.9
<b>4. Government expenditure on goods and services:</b>	<b>123.4</b>	<b>125.9</b>	<b>127.3</b>	<b>128.1</b>	<b>128.4</b>
	3.9	2.1	1.1	0.6	0.2
<b>5. Current expenditure</b>	<b>126.2</b>	<b>129.8</b>	<b>131.0</b>	<b>132.3</b>	<b>133.4</b>
	5.1	2.9	0.9	1.0	0.8
<b>6. Capital expenditure</b>	<b>102.7</b>	<b>97.8</b>	<b>96.7</b>	<b>98.2</b>	<b>96.3</b>
	-5.5	-4.7	-1.2	1.6	-1.9
<b>7. Business gross fixed capital formation:</b>	<b>108.8</b>	<b>104.1</b>	<b>102.1</b>	<b>101.5</b>	<b>96.5</b>
	-3.7	-4.3	-2.0	-0.6	-4.9
<b>8. Residential construction</b>	<b>133.4</b>	<b>131.0</b>	<b>131.5</b>	<b>134.9</b>	<b>135.7</b>
	1.2	-1.8	0.4	2.5	0.6
<b>9. Non-residential construction</b>	<b>118.4</b>	<b>116.8</b>	<b>118.4</b>	<b>123.0</b>	<b>126.2</b>
	-3.3	-1.3	1.4	3.8	2.6
<b>10. Machinery and equipment</b>	<b>89.0</b>	<b>83.0</b>	<b>81.4</b>	<b>81.6</b>	<b>77.4</b>
	-6.5	-6.8	-2.0	0.3	-5.1
<b>11. Exports of goods and services</b>	<b>104.7</b>	<b>105.4</b>	<b>108.1</b>	<b>110.1</b>	<b>111.3</b>
	-1.0	0.6	2.6	1.9	1.1
<b>12. DEDUCT: Imports of goods and services</b>	<b>97.4</b>	<b>98.3</b>	<b>101.8</b>	<b>105.0</b>	<b>106.0</b>
	-2.1	0.9	3.6	3.1	1.0
<b>13. Value of physical change in inventories</b>	<b>109.2</b>	<b>114.3</b>	<b>126.1</b>	<b>87.1</b>	<b>121.1</b>
<b>14. Non-farm</b>	<b>109.0</b>	<b>113.9</b>	<b>137.0</b>	<b>93.5</b>	<b>121.4</b>
<b>15. Farm and grain in commercial channels</b>	<b>101.4</b>	<b>117.8</b>	<b>273536.3</b>	<b>-35.9</b>	<b>235.6</b>
<b>16. Gross Domestic Product</b>	<b>125.4</b>	<b>126.1</b>	<b>127.1</b>	<b>126.6</b>	<b>127.7</b>
	3.6	0.6	0.8	-0.4	0.9
<b>17. Final Domestic Demand</b>	<b>121.5</b>	<b>122.3</b>	<b>123.9</b>	<b>124.3</b>	<b>124.5</b>
	2.9	0.7	1.2	0.3	0.2

Note: Percentage change from previous quarter is given at annual rate on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

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Ministry of Finance

## Ontario Economic Accounts

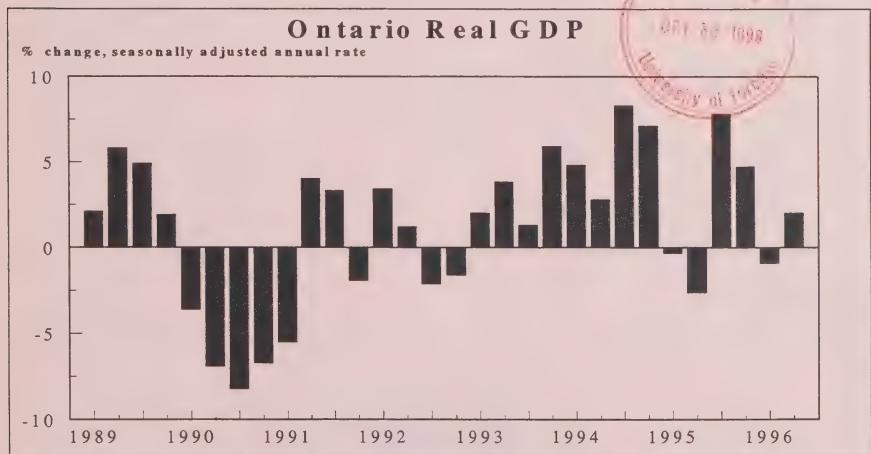
SECOND QUARTER OF 1996

October 1996

### Ontario Economic Growth Led by Exports in 1996:2

In the second quarter of 1996 (April-June), Ontario real GDP at *market prices* rose by 2.0% at annual rates, following a revised decline of 0.9% in the first quarter. The rise in economic activity in the second quarter was led by a rebound in exports and a strong housing sector. Exports reached near-record levels and the real trade balance improved to \$18.2 billion, the largest since 1985. The housing market continues to be strong, recording its best back-to-back quarterly growth in eleven years. Economic growth in the second quarter would have been even stronger if not for a rundown in business inventories and flat consumer spending.

The manufacturing sector accounted over half of the gain in output, with the automotive industry registering a record level of production in 1996:2. Growth also occurred in the finance industry, government services, construction, wholesale trade, and the transportation, storage and communications industries.



Note: Beginning with this issue, the *Ontario Economic Accounts* and the *Ontario Production by Industry* bulletins have been merged into one document.

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This document is also available on the Internet at <http://www.gov.on.ca/fin/engdoc.html>

The GDP price deflator rose 1.8% at annual rates in 1996:2, following a decline of 0.1% in the previous quarter. Higher prices for consumer goods, housing and non-residential construction contributed the most to the rise in the deflator. The highlights of 1996:2 are presented in Table 1.

**Ontario Economic Accounts Summary, 1995:3 - 1996:2**  
(1986\$, Seasonally Adjusted Annual Rates)

Table 1

	1995:3	1995:4	1996:1	1996:2	1995
<b>Highlights (\$1986 Billions)</b>					
Gross Domestic Product	246.5 7.8	249.3 4.7	248.8 -0.9	250.0 2.0	245.3 3.2
Gross Domestic Product (Current \$)	315.4 8.2	319.6 5.4	318.8 -1.0	321.8 3.8	313.3 4.1
GDP Deflator (1986=100)	128.0 0.3	128.2 0.6	128.2 -0.1	128.7 1.8	127.7 0.9
Final Domestic Demand <sup>1</sup>	230.8 -1.4	230.7 -0.2	233.4 4.9	234.5 1.9	231.0 1.6
Final Demand <sup>2</sup>	244.4 10.4	248.3 6.5	248.5 0.4	252.8 6.9	242.7 2.7
<b>Composition of Growth<sup>3</sup></b> (\$ Millions)					
Total GDP	4,601	2,858	-554	1,229	7,517
Consumer Spending	1,202	-833	1,409	-41	2,201
Business Machinery and Equipment	-1,626	562	1,434	-105	3,337
Non-Residential Construction	93	184	14	59	-209
Residential Construction	-83	-117	538	665	-1,508
Government Spending	-398	85	-640	545	-108
Net Exports	6,770	3,991	-2,483	3,087	2,668
Inventories	-1,339	-968	-788	-3,023	1,062

Source: Ontario Ministry of Finance and Statistics Canada

Note: Per cent change from previous period at annual rates, is given in italics

1. Combined sum of consumer spending, government spending and business investment excluding inventory investment.

2. Final domestic demand plus net exports.

3. Does not sum to GDP growth, as the "statistics discrepancy" is not shown.

## Income and Expenditure Details

**Real consumer spending** held steady in 1996:2, following a strong 4.1% gain in the first quarter. Personal disposable income declined slightly, as employment growth moderated. Consumer spending on goods declined by 1.3% at annual rates as consumers reduced spending on light trucks, vans, furniture and appliances. Expenditures on services rose 0.9%, compared to a 5.5% rise in the first quarter, as spending on financial services moderated.

- **Personal income** grew by 1.2% at annual rates in 1996:2, after a 0.6% increase in the first quarter. Ontario wages, salaries and supplementary income, the largest component of personal income, rose 2.0% at annual rates, following a flat first quarter. Income in 1996:1 was affected by a strike in the Ontario public service and layoffs at GM's auto plants.
- **Personal disposable income** declined 0.8% at annual rates in the second quarter, the result of higher personal income tax collections. Federal Finance reported that net personal income tax collections for the 1995 tax year were boosted by a strong payments increase made on tax filings at the April 30<sup>th</sup> deadline. With nominal consumer spending rising and disposable income falling, the Ontario **savings rate** declined from 7.8% to 7.2%, the lowest rate in 28 years.

**The Consumer Sector, 1995:3 - 1996:2**  
(1986 \$ Millions, Seasonally Adjusted Annual Rates)

**Table 2**

	1995:3	1995:4	1996:1	1996:2	1995
Consumer Spending	139,690 3.5	138,857 -2.4	140,266 4.1	140,225 -0.1	138,948 1.6
- Goods	67,942 2.9	66,747 -6.9	67,191 2.7	66,978 -1.3	67,579 1.2
- Services	71,748 4.1	72,110 2.0	73,075 5.5	73,247 0.9	71,369 2.0
Personal Income (Current \$)	268,452 4.9	270,252 2.7	270,683 0.6	271,487 1.2	267,431 3.5
Personal Disposable Income (Current \$)	203,671 2.8	205,250 3.1	205,238 0.0	204,837 -0.8	203,708 2.6
Personal Savings Rate (%)	7.8	9.0	7.8	7.2	8.7
Source: Ontario Ministry of Finance and Statistics Canada					
Note: Per cent change from previous quarter, at annual rates, is given in italics					

- **Residential construction** continued its strong showing in 1996:2, rising by 28.9% at annualized rates, after posting a 24.3% gain in the first quarter. This marks the best performance in Ontario's housing market in eleven years. The gain in the second quarter occurred in new construction, resale activity and renovation and repair spending.
  - Over the first eight months of 1996, Ontario housing starts are up nearly 17%, resale activity is up 26% and Toronto-area new home sales have increased 46%. The resurgent housing market so far this year reflects improved consumer confidence and the best housing affordability in over a decade.
- Real **business investment** in plant and equipment was essentially unchanged, after rising by a strong 18.9% in the previous quarter. Outlays on machinery and equipment declined 1.4%, after surging by 22.4% in 1996:1, as firms cut back on computers, industrial machinery and auto purchases.
- Real **inventories** declined by \$2.6 billion in the second quarter, reversing two years of strong stock building. Manufacturers and wholesalers lowered inventory levels, particularly for autos, and electrical and electronic products.
- **Corporation profits** before taxes rebounded, rising 13.7% at annual rates in 1996:2, after falling by 27.9% in 1996:1. The rise in profits was broadly-based in both the financial and non-financial industries, notably autos, iron and steel, machinery and equipment, and metal and metal products.

**The Business Sector, 1995:3 - 1996:2**  
(1986 \$ Millions, Seasonally Adjusted Annual Rates)

**Table 3**

	1995:3	1995:4	1996:1	1996:2	1995
Residential Construction	9,732 <i>-3.4</i>	9,615 <i>-4.7</i>	10,153 <i>24.3</i>	10,818 <i>28.9</i>	9,838 <i>-13.3</i>
Business Plant and Equipment	31,900 <i>-17.1</i>	32,646 <i>9.7</i>	34,093 <i>18.9</i>	34,048 <i>-0.5</i>	32,496 <i>10.7</i>
- Non-Residential Construction	4,780 <i>8.2</i>	4,964 <i>16.4</i>	4,978 <i>1.1</i>	5,037 <i>4.8</i>	4,776 <i>-4.2</i>
- Machinery and Equipment	27,120 <i>-20.8</i>	27,682 <i>8.5</i>	29,116 <i>22.4</i>	29,011 <i>-1.4</i>	27,720 <i>13.7</i>
Business and Farm Inventory Accumulation	2,193	1,227	440	-2,584	2,727
Pre-Tax Corporate Profits (Current \$)	29,758 <i>50.2</i>	31,268 <i>21.9</i>	28,815 <i>-27.9</i>	29,754 <i>13.7</i>	28,678 <i>14.9</i>

Source: Ontario Ministry of Finance and Statistics Canada

Note: Per cent change from previous quarter, at annual rates, is given in italics

**R**eal Ontario **exports** rebounded 3.9% at annual rates in the second quarter, after falling by 3.8% in the first quarter, when reduced production due to a U.S. labour dispute at GM held back exports.

- At the national level, total real auto exports (cars, trucks and parts) jumped by 18.3% at annual rates in 1996:2. Nearly ninety per cent of automotive industry production is located in Ontario.

Real **imports** declined by 2.9% at annual rates, after a 1.5% gain in the previous quarter. With exports rising and imports falling, the real trade balance improved by \$3.1 billion to reach \$18.2 billion, an eleven year high.

- Exports of chemicals, trucks, auto parts and telecommunication equipment all rose in the quarter, offsetting lower exports of newsprint, precious metals, cars and industrial machinery and equipment.
- Lower imports occurred in textiles and clothing, industrial machinery and equipment, office machines (mainly computers) and communications equipment, while imports of cars, trucks, auto parts and chemicals rose.

**The External Sector, 1995:3 - 1996:2**  
(1986 \$ Millions, Seasonally Adjusted Annual Rates)

**Table 4**

	1995:3	1995:4	1996:1	1996:2	1995
Total Exports	179,726 9.2	189,764 24.3	187,939 -3.8	189,747 3.9	181,978 9.9
Total Imports	166,096 -6.6	172,143 15.4	172,801 1.5	171,522 -2.9	170,267 8.8
Balance of Trade	13,630	17,621	15,138	18,225	11,711

Source: Ontario Ministry of Finance and Statistics Canada

Note: Per cent change from previous quarter, at annual rates, is given in italics

Total real **government spending** in Ontario by all levels of government (federal, provincial and local) rose by 4.5% at annual rates in 1996:2, after declining by 5.1% in 1996:1.

- Government **current spending** on goods and services increased by 6.1% at annual rates in 1996:2, up from a strike-related 7.0% drop in the first quarter.
- Real government **capital investment** fell 4.9% at annual rates in the second quarter, following an 8.0% gain in 1996:1.

**The Government Sector, 1995:3 - 1996:2**

(1986 \$ Millions, Seasonally Adjusted Annual Rates)

**Table 5**

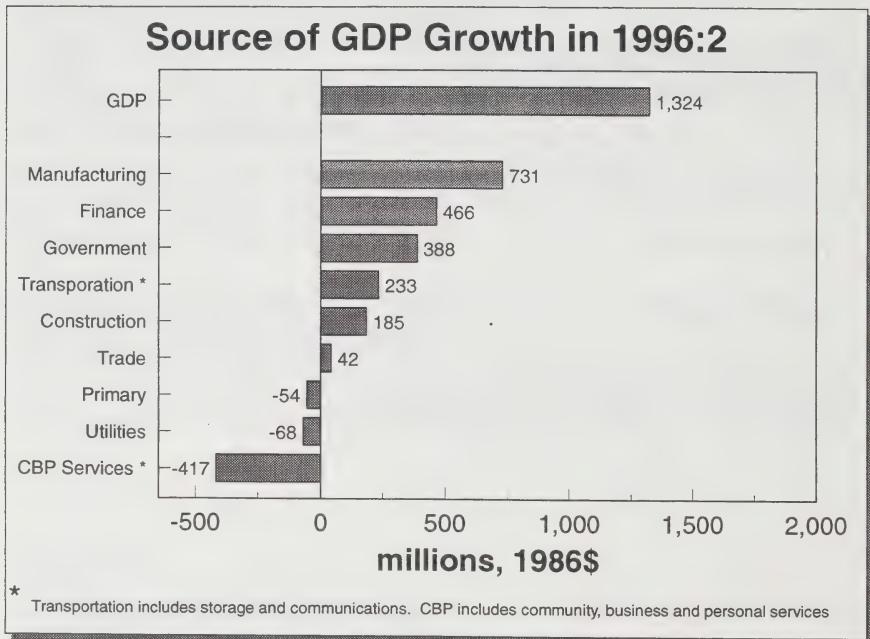
	1995:3	1995:4	1996:1	1996:2	1995
Total Government Expenditure*	49,454 -3.2	49,539 0.7	48,899 -5.1	49,444 4.5	49,703 -0.2
- Current Expenditure	42,771 -4.2	42,775 0.0	42,003 -7.0	42,634 6.1	42,975 -1.6
- Capital Expenditure	6,683 4.0	6,764 4.9	6,896 8.0	6,810 -4.9	6,728 9.4

Source: Ontario Ministry of Finance and Statistics Canada

Note: Per cent change from previous quarter, at annual rates, is given in italics

## Industry Details

Ontario production at factor cost rose 2.5% at annual rates in the second quarter, compared to 2.0% measured at market prices. The rise in production was concentrated in manufacturing, finance and government services. Construction, and the transportation, storage and communications industries also contributed to the gain in output.



### Update

The industry based GDP estimates were revised for the 1993-1995 period to incorporate the latest data from Statistics Canada. Growth of real GDP at factor cost for 1994 was revised from 4.5% to 4.3% and for 1995 from 3.2% to 3.1%.

**Manufacturing** output rebounded sharply in the second quarter, rising 5.5% at annual rates, following a 1.1% decline in the first quarter. This improvement reflected higher output in the auto industry following plant shutdowns in 1996:1, combined with strong output in the chemical industry.

- In the **auto sector**, which consists of cars, trucks and parts, output jumped by nearly 10% (quarterly rates) in 1996:2, reflecting the end of labour disruptions due to a three week GM strike in Dayton, Ohio.

**The Goods Sector, 1995:3 - 1996:2**  
(1986 \$ Millions, Seasonally Adjusted Annual Rates)

Table 6

	1995:3	1995:4	1996:1	1996:2	1995
Primary Industries	5,495 11.7	5,483 -0.8	5,649 12.6	5,595 -3.7	5,426 2.7
Manufacturing	54,016 4.9	54,356 2.5	54,207 -1.1	54,938 5.5	54,255 6.2
Construction	8,657 0.0	8,612 -2.1	8,760 7.1	8,945 8.7	8,781 -4.8
Utilities	5,610 19.3	5,482 -8.8	5,455 -2.0	5,387 -4.9	5,410 -0.7
Total Goods Sector	73,777 5.8	73,934 0.9	74,071 0.7	74,866 4.4	73,872 4.0

Source: Ontario Ministry of Finance and Statistics Canada

Note: Per cent change from previous quarter, at annual rates, is given in italics

Output in the **utilities** industry continued to decline, falling 4.9% at annual rates in 1996:2, marking the third straight quarterly drop. Electrical generation, which represents 80% of the utility industry, was down at an annual rate of 7.2%, reflecting the shutdown of nuclear generating units at Pickering in the April-June period.

Activity in the **construction** industry (which comprises residential and non-residential building) rose 8.7% at annual rates in 1996:2, after a strong 7.1% gain in the previous quarter. The rise in construction activity so far this year follows a two-year period of weakness and reflected much improved home buying conditions.

**Financial** activity rose 5.6% at annual rates in the second quarter, following a rise of 6.6% in the previous quarter. This marked the fifth consecutive increase in the volume of financial transactions.

- Much of the gain in financial services so far this year is reflected in a 40% year-to-date rise in the trading volume of the Toronto Stock Exchange, led by sustained mutual fund investment. In addition, the strong housing market in Ontario boosted real estate commissions.

**Trade** activity slowed in the second quarter, rising 0.6% at annual rates, following a 5.0% surge in the first quarter.

- Ontario retail sales showed no growth in the second quarter, compared to a 1.6% annualized gain for Canada as a whole.
- At the wholesale level, activity rose 4.7% at annual rates in 1996:2, following a strong 7.1% gain in 1996:1.

**The Service Sector, 1995:3 - 1996:2**  
(1986 \$ Millions, Seasonally Adjusted Annual Rates)

Table 7

	1995:3	1995:4	1996:1	1996:2	1995
Transportation, Storage and Communication	15,756 7.4	15,919 4.2	15,967 1.2	16,200 6.0	15,649 4.7
Wholesale and Retail Trade	27,543 4.0	27,216 -4.7	27,548 5.0	27,590 0.6	27,374 3.4
Finance, Insurance and Real Estate	33,247 4.9	33,405 1.9	33,940 6.6	34,406 5.6	32,987 1.3
Community, Business and Personal Services	49,406 2.7	49,733 2.7	49,677 -0.4	49,260 -3.3	49,237 2.5
Government	12,107 -1.3	11,973 -4.3	11,164 -24.4	11,552 14.7	12,104 -1.5
Total Service Sector	138,060 3.7	138,247 0.5	138,296 0.1	139,007 2.1	137,351 2.3

Source: Ontario Ministry of Finance and Statistics Canada

Note: Per cent change from previous quarter, at annual rates, is given in italics

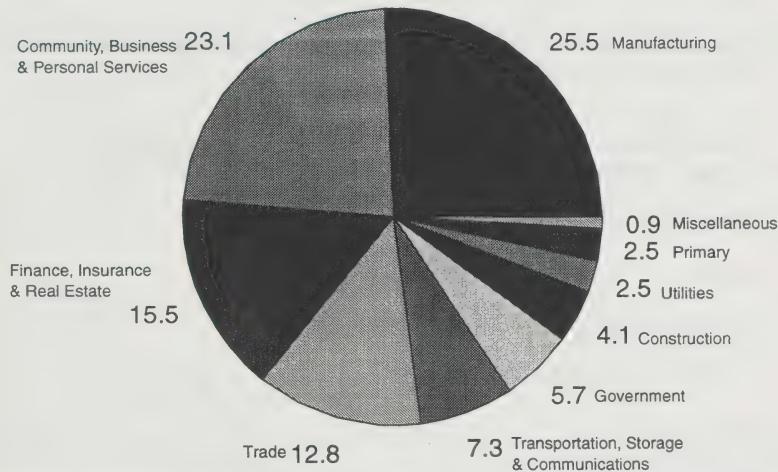
In the **community, business and personal services** sector output decreased by 3.3% at annual rates in 1996:2, following a slight decline in the previous quarter. Over the first half of 1996, this sector has recorded its slowest growth since the 1990-1991 recession.

- Weakness in the second quarter was concentrated in accommodation and food services, services to businesses, health and education. This more than offset higher activity in the personal services and amusement industries.

Total **government** activity (federal, provincial, local) rebounded by 14.7% at annual rates in 1996:2, after a 24.4% drop, resulting from the five week strike by workers in the Ontario Public Service Employees Union.

## Industrial Structure of Ontario Economy, 1995

% share



11  
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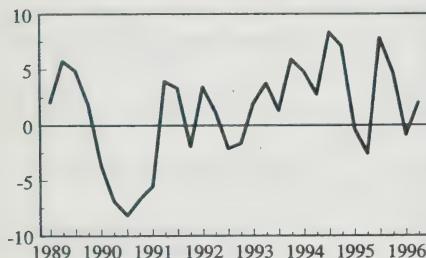
# Ontario Economic Accounts Summary

## (1989:1 - 1996:2)

Gross Domestic Product

(1986 \$)

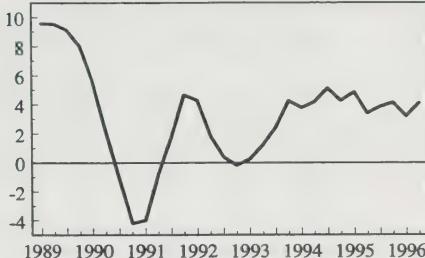
% change, quarter-over-quarter (saar)



Gross Domestic Product

(Current \$)

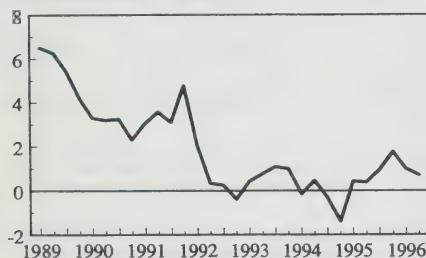
% change, year-over-year



GDP Deflator

(1986 = 100)

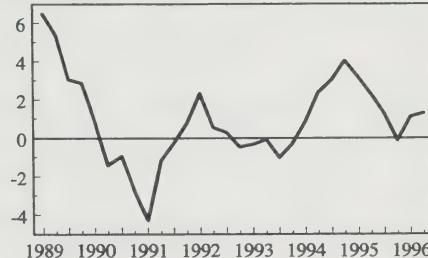
% change, year-over-year



Final Domestic Demand

(1986 \$)

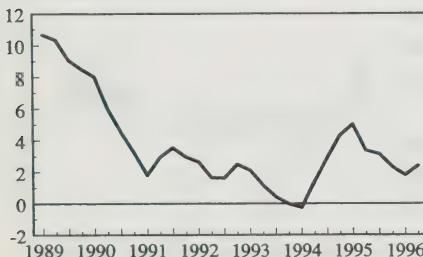
% change, year-over-year



Personal Income

(Current \$)

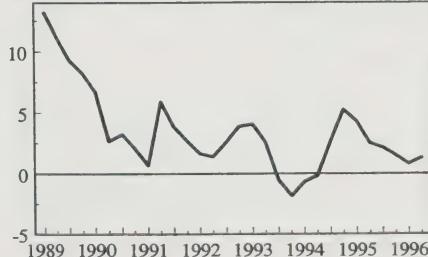
% change, year-over-year



Personal Disposable Income

(Current \$)

% change, year-over-year

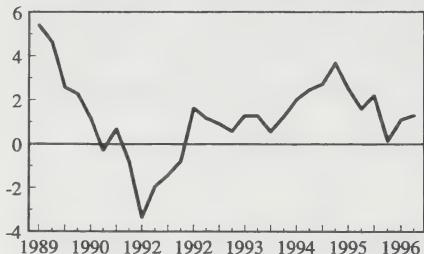


# Ontario Economic Accounts Summary (1989:1 - 1996:2)

## Consumer Spending

(1986 \$)

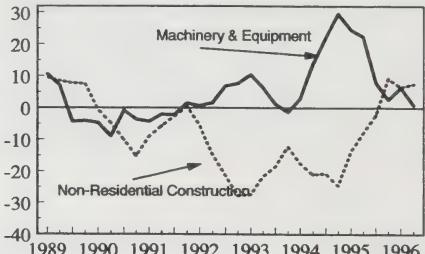
% change, year-over-year



## Business Plant & Equipment

(1986 \$)

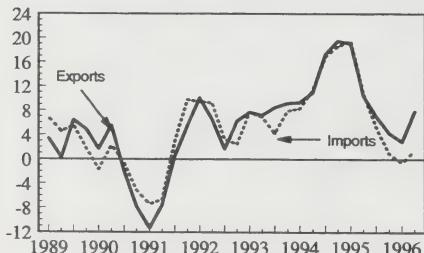
% change, year-over-year



## Trade

(1986 \$)

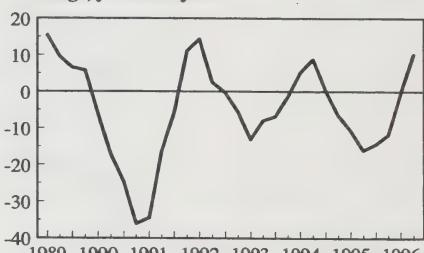
% change, year-over-year



## Residential Construction

(1986 \$)

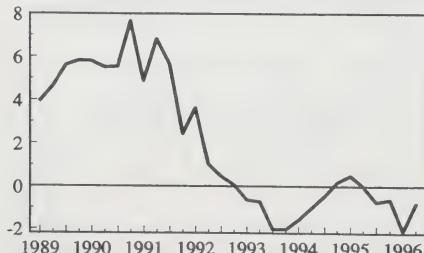
% change, year-over-year



## Government Spending

(1986 \$)

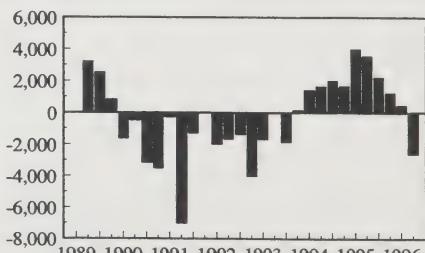
% change, year-over-year



## Change in Inventories

(1986 \$)

millions



**ONTARIO GROSS DOMESTIC PRODUCT, (INCOME BASED)**  
(\$ millions, seasonally adjusted at annual rates)

TABLE 1

	1995				1996			
	I	II	III	IV	I	II	III	IV
1. Wages, salaries, and supplementary labour income	171,771 2.0	170,944 -1.9	173,770 6.8	176,011 5.3	176,061 0.1	176,939 2.0		
2. Military Pay and allowances	1,513 -13.5	1,490 -5.9	1,354 -31.8	1,311 -12.1	1,222 -24.5	1,225 1.0		
3. Corporation profits before taxes	26,806 19.3	26,879 1.1	29,758 50.2	31,268 21.9	28,815 -27.9	29,754 13.7		
4. Interest and miscellaneous investment income	17,555 21.2	16,515 -21.7	16,058 -10.6	15,784 -6.7	15,595 -4.7	15,790 5.1		
5. Accrued net income of farm operators from farm production	235 240.5	360 450.7	450 144.1	619 258.0	956 468.9	1,222 167.0		
6. Net income of non-farm unincorporated business including rent	16,930 3.5	17,057 3.0	17,228 4.0	17,426 4.7	17,617 4.5	17,839 5.1		
7. Inventory valuation adjustment	-3,610	-1,320	-827	-433	172	-670		
8. Net Domestic Income at factor cost	231,200 3.2	231,925 1.3	237,791 10.5	241,986 7.2	240,438 -2.5	242,099 2.8		
9. Indirect taxes less subsidies	41,492 -3.4	41,254 -2.3	41,018 -2.3	40,689 -3.2	41,117 4.3	41,390 2.7		
10. Capital consumption allowances and miscellaneous valuation adjustments	36,263 6.6	36,111 -1.7	36,635 5.9	36,913 3.1	37,266 3.9	38,334 12.0		
11. Gross Domestic Product at market prices	308,955 2.7	309,290 0.4	315,444 8.2	319,588 5.4	318,821 -1.0	321,823 3.8		

Note: Percentage change from previous quarter is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT, (EXPENDITURE BASED)**  
(\$ millions, seasonally adjusted at annual rates)

TABLE 2

	1995				1996			
	I	II	III	IV	I	II	III	IV
1. Personal expenditure on consumer goods and services:	181,453	182,335	184,567	183,691	186,202	187,144		
	2.8	2.0	5.0	-1.9	5.6	2.0		
2. Goods	84,809	84,519	85,267	83,530	84,190	84,526		
	2.9	-1.4	3.6	-7.9	3.2	1.6		
3. Services	96,644	97,816	99,300	100,161	102,012	102,618		
	2.7	4.9	6.2	3.5	7.6	2.4		
4. Government expenditure on goods and services:	64,280	64,127	63,387	63,431	62,356	63,105		
	1.5	-0.9	-4.5	0.3	-6.6	4.9		
5. Current expenditure	57,524	57,674	56,971	57,147	56,074	56,874		
	3.5	1.0	-4.8	1.2	-7.3	5.8		
6. Capital expenditure	6,756	6,453	6,416	6,284	6,282	6,231		
	-13.4	-16.8	-2.3	-8.0	-0.1	-3.2		
7. Business gross fixed capital formation:	41,347	41,994	40,127	39,863	41,445	42,247		
	-7.0	6.4	-16.6	-2.6	16.8	8.0		
8. Residential construction	13,736	13,250	13,361	13,038	13,778	14,788		
	-27.1	-13.4	3.4	-9.3	24.7	32.7		
9. Non-residential construction	5,883	5,891	6,046	6,285	6,267	6,397		
	13.8	0.5	10.9	16.8	-1.1	8.6		
10. Machinery and equipment	21,728	22,853	20,720	20,540	21,400	21,062		
	3.5	22.4	-32.4	-3.4	17.8	-6.2		
11. Exports of goods and services	203,954	196,476	199,136	210,448	209,740	211,758		
	9.4	-13.9	5.5	24.7	-1.3	3.9		
12. DEDUCT: Imports of goods and services	186,724	180,460	174,949	179,889	181,614	179,584		
	18.1	-12.8	-11.7	11.8	3.9	-4.4		
13. Value of physical change in inventories:	4,148	4,307	2,846	1,904	575	-2,421		
14. Non-farm	4,264	4,265	2,784	1,980	469	-2,668		
15. Farm and grain in commercial channels	-116	42	62	-76	106	247		
16. Statistical Discrepancy	497	511	330	140	117	-426		
17. Gross Domestic Product at market prices	308,955	309,290	315,444	319,588	318,821	321,823		
	2.7	0.4	8.2	5.4	-1.0	3.8		
18. Gross Domestic Product in constant (1986) dollars	243,444	241,860	246,461	249,319	248,765	249,994		
	-0.3	-2.6	7.8	4.7	-0.9	2.0		

Note: Percentage change from previous quarter is given at annual rate on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT AT 1986 PRICES**  
 (\$ millions, seasonally adjusted at annual rates)

TABLE 3

	1995				1996			
	I	II	III	IV	I	II	III	IV
	138,757	138,488	139,690	138,857	140,266	140,225		
1. Personal expenditure on consumer goods and services	0.3	-0.8	3.5	-2.4	4.1	-0.1		
2. Goods	68,174	67,453	67,942	66,747	67,191	66,978		
	0.3	-4.2	2.9	-6.9	2.7	-1.3		
3. Services	70,583	71,035	71,748	72,110	73,075	73,247		
	0.2	2.6	4.1	2.0	5.5	0.9		
4. Government expenditure on goods and services:	49,966	49,852	49,454	49,539	48,899	49,444		
	0.9	-0.9	-3.2	0.7	-5.1	4.5		
5. Current expenditure	43,121	43,234	42,771	42,775	42,003	42,634		
	2.9	1.1	-4.2	0.0	-7.0	6.1		
6. Capital expenditure	6,845	6,618	6,683	6,764	6,896	6,810		
	-10.2	-12.6	4.0	4.9	8.0	-4.9		
7. Business gross fixed capital formation:	42,193	43,248	41,632	42,261	44,247	44,866		
	-2.4	10.4	-14.1	6.2	20.2	5.7		
8. Residential construction	10,190	9,815	9,732	9,615	10,153	10,818		
	-23.8	-13.9	-3.4	-4.7	24.3	28.9		
9. Non-residential construction	4,673	4,687	4,780	4,964	4,978	5,037		
	11.7	1.1	8.2	16.4	1.1	4.8		
10. Machinery and equipment	27,330	28,746	27,120	27,682	29,116	29,011		
	5.1	22.4	-20.8	8.5	22.4	-1.4		
11. Exports of goods and services	182,591	175,830	179,726	189,764	187,939	189,747		
	1.4	-14.0	9.2	24.3	-3.8	3.9		
12. DEDUCT: Imports of goods and services	173,858	168,970	166,096	172,143	172,801	171,522		
	7.9	-10.8	-6.6	15.4	1.5	-2.9		
13. Value of physical change in inventories:	3,957	3,532	2,193	1,227	439	-2,584		
14. Non-farm	3,934	3,401	2,161	1,449	379	-2,796		
15. Farm and grain in commercial channels	23	131	32	-223	60	212		
16. Statistical Discrepancy	-162	-120	-138	-186	-224	-181		
17. Gross Domestic Product	243,444	241,860	246,461	249,319	248,765	249,994		
	-0.3	-2.6	7.8	4.7	-0.9	2.0		
18. Final Domestic Demand	230,917	231,588	230,776	230,658	233,411	234,534		
	-0.1	1.2	-1.4	-0.2	4.9	1.9		

Note: Percentage change from previous quarter is given at annual rate on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**SOURCES AND DISPOSITION OF ONTARIO PERSONAL INCOME**

(\$ millions, seasonally adjusted at annual rates)

**TABLE 4**

	1995				1996			
	I	II	III	IV	I	II	III	IV
1. Wages, salaries, and supplementary labour income	170,545 2.0	169,724 -1.9	172,531 6.8	174,755 5.3	174,805 0.1	175,677 2.0		
2. Add: Military pay and allowances	1,513 -13.5	1,490 -5.9	1,354 -31.8	1,311 -12.1	1,222 -24.5	1,225 1.0		
3. Net income of farm operators from farm production	242 -4.8	348 327.6	388 54.5	457 92.5	751 629.3	995 208.1		
4. Net income of non-farm unincorporated business including rent	16,930 3.5	17,057 3.0	17,228 4.0	17,426 4.7	17,617 4.5	17,839 5.1		
5. Interest, dividends, and miscellaneous investment income	34,521 9.9	35,342 9.9	35,653 3.6	35,614 -0.4	35,308 -3.4	34,966 -3.8		
6. Current transfers from government, corporations and non-residents	42,030 -0.5	41,278 -7.0	41,298 0.2	40,689 -5.8	40,980 2.9	40,786 1.9		
7. Equals: Personal income	265,781 2.6	265,239 -0.8	268,451 4.9	270,252 2.7	270,683 0.6	271,488 1.2		
8. Deduct: Personal direct taxes	60,843 2.0	61,913 7.2	63,843 13.1	64,190 2.2	64,604 2.6	65,812 7.7		
9. Other current transfers to government	1,283 -20.8	1,071 -51.4	938 -41.2	812 -43.8	841 15.1	838 -1.4		
10. Equals: Personal disposable income	203,655 2.9	202,255 -2.7	203,670 2.8	205,250 3.1	205,238 0.0	204,838 -0.8		
11. Deduct: Personal expenditure on consumer goods and services	181,453 2.8	182,335 2.0	184,567 5.0	183,691 -1.9	186,202 5.6	187,144 2.0		
12. Current transfers to corporations	2,289 69.2	2,621 71.9	2,742 19.8	2,739 -0.4	2,631 -14.9	2,601 -4.5		
13. Current transfers to non-residents	408 16.2	408 0.0	409 1.0	409 0.0	420 11.2	422 1.9		
14. Equals: Personal saving	19,505 -2.5	16,891 -43.8	15,952 -20.5	18,411 77.5	15,985 -43.2	14,671 -29.0		
15. Personal savings rate	9.6	8.4	7.8	9.0	7.8	7.2		

Note: Percentage change from previous quarter is given at annual rate on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO TRADE**

(\$ millions, seasonally adjusted at annual rates)

TABLE 5

	1995				1996			
	I	II	III	IV	I	II	III	IV
1. Exports of Goods and Services	203,954	196,476	199,136	210,448	209,740	211,758		
	9.4	-13.9	5.5	24.7	-1.3	3.9		
2. Of Which: International	141,750	135,608	137,604	148,144	148,326	150,374		
	16.7	-16.2	6.0	34.3	0.5	5.6		
3. Goods	123,764	117,988	119,916	128,864	129,100	131,366		
	17.6	-17.4	6.7	33.4	0.7	7.2		
4. Services	17,986	17,620	17,688	19,260	19,226	19,008		
	11.1	-7.9	1.6	40.6	-0.7	-4.5		
5. Of Which: Interprovincial Goods and Services	62,204	60,868	61,532	62,304	61,414	61,384		
	-5.3	-8.3	4.4	5.1	-5.6	-0.2		
6. Imports of Goods and Services	186,724	180,460	174,949	179,889	181,614	179,584		
	18.1	-12.8	-11.7	11.8	3.9	-4.4		
7. Trade Balance	17,230	16,016	24,187	30,559	28,126	32,174		

Note: Percentage change from previous quarter is given at annual rate on the second line.

Source: Office of Economic Policy, Ontario Ministry of Finance

**RELATIONSHIP BETWEEN ONTARIO GROSS DOMESTIC PRODUCT  
AND ONTARIO GROSS PROVINCIAL PRODUCT**  
 (\$ millions, seasonally adjusted at annual rates)

TABLE 6

	1995				1996			
	I	II	III	IV	I	II	III	IV
1. Gross Domestic Product: at market prices	308,955 2.7	309,290 0.4	315,444 8.2	319,588 5.4	318,821 -1.0	321,823 3.8		
2. Less: Investment income paid to non-residents	16,735 27.8	16,988 6.2	16,237 -16.6	16,269 0.8	16,679 10.5	16,263 -9.6		
3. Plus: Investment income received from non-residents	8,208 12.1	8,281 3.6	8,190 -4.3	8,706 27.7	8,403 -13.2	8,125 -12.6		
4. Equals: Gross Provincial Product at market prices	300,427 1.7	300,583 0.2	307,397 9.4	312,024 6.2	310,545 -1.9	313,685 4.1		

Note: Percentage change from previous quarter is given at annual rate on the second line.  
 Source: Office of Economic Policy, Ontario Ministry of Finance

**ONTARIO DEFATORS**  
(1986 = 100)

TABLE 7

	1995				1996			
	I	II	III	IV	I	II	III	IV
1. Personal expenditure on consumer goods and services	130.8 2.6	131.7 2.8	132.1 1.4	132.3 0.5	132.7 1.4	133.5 2.2		
2. Goods	124.4 2.6	125.3 2.9	125.5 0.6	125.1 -1.1	125.3 0.5	126.2 2.9		
3. Services	136.9 2.5	137.7 2.3	138.4 2.0	138.9 1.5	139.6 2.0	140.1 1.4		
4. Government expenditure on goods and services:	128.6 0.6	128.6 0.0	128.2 -1.4	128.0 -0.4	127.5 -1.6	127.6 0.3		
5. Current expenditure	133.4 0.6	133.4 0.0	133.2 -0.6	133.6 1.2	133.5 -0.3	133.4 -0.3		
6. Capital expenditure	98.7 3.6	97.5 -4.8	96.0 -6.0	92.9 -12.3	91.1 -7.5	91.5 1.8		
7. Business gross fixed capital formation:	98.0 -4.7	97.1 -3.6	96.4 -2.9	94.3 -8.3	93.7 -2.8	94.2 2.1		
8. Residential construction	134.8 -4.3	135.0 0.6	137.3 7.0	135.6 -4.9	135.7 0.3	136.7 3.0		
9. Non-residential construction	125.9 1.9	125.7 -0.6	126.5 2.6	126.6 0.3	125.9 -2.2	127.0 3.5		
10. Machinery and equipment	79.5 -1.5	79.5 0.0	76.4 -14.7	74.2 -11.0	73.5 -3.7	72.6 -4.8		
11. Exports of goods and services	111.7 7.9	111.7 0.2	110.8 -3.3	110.9 0.4	111.6 2.5	111.6 0.0		
12. DEDUCT: Imports of goods and services	107.4 9.5	106.8 -2.2	105.3 -5.4	104.5 -3.1	105.1 2.3	104.7 -1.5		
13. Value of physical change in inventories:	104.7	121.9	129.8	155.2	130.7	93.7		
14. Non-farm	108.4	125.4	128.8	136.6	123.6	95.4		
15. Farm and grain in commercial channels	-510.2	32.1	194.1	34.1	175.4	116.5		
16. Gross Domestic Product	126.9 3.0	127.9 3.1	128.0 0.3	128.2 0.6	128.2 -0.1	128.7 1.8		
17. Final Domestic Demand	124.3 1.1	124.6 0.8	124.8 0.9	124.4 -1.3	124.2 -0.6	124.7 1.5		

Note: Percentage change from previous quarter is given at annual rate on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT, (INCOME BASED)**  
(\$ millions)

**TABLE 8**

	1991	1992	1993	1994	1995
1. Wages, salaries, and supplementary labour income	160,755 1.9	163,477 1.7	164,635 0.7	167,834 1.9	173,124 3.2
2. Military pay and allowances	1,339 4.8	1,415 5.7	1,394 -1.5	1,512 8.5	1,417 -6.3
3. Corporation profits before taxes	15,920 -19.4	15,961 0.3	18,931 18.6	24,967 31.9	28,678 14.9
4. Interest and miscellaneous investment income	15,806 -5.7	16,472 4.2	14,941 -9.3	16,303 9.1	16,478 1.1
5. Accrued net income of farm operators from farm production	273 -22.4	218 -20.1	323 48.2	246 -23.8	416 69.1
6. Net income of non-farm unincorporated business including rent	14,920 3.1	15,321 2.7	16,537 7.9	16,865 2.0	17,160 1.7
7. Inventory valuation adjustment	751	-948	-1,211	-2,608	-1,548
8. Net Domestic Income at factor cost	209,764 -0.3	211,916 1.0	215,549 1.7	225,119 4.4	235,725 4.7
9. Indirect taxes less subsidies	35,883 -2.0	37,643 4.9	38,633 2.6	40,529 4.9	41,113 1.4
10. Capital consumption allowances and miscellaneous valuation adjustments	32,816 7.4	33,244 1.3	34,387 3.4	35,434 3.0	36,481 3.0
11. Gross Domestic Product at market prices	278,463 0.3	282,803 1.6	288,569 2.0	301,082 4.3	313,319 4.1

**Note:** Percentage change from previous year is given on the second line.

**Sources:** Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT, (EXPENDITURE BASED)**  
(\$ millions)

TABLE 9

	1991	1992	1993	1994	1995
1. Personal expenditure on consumer goods and services:	162,596	166,462	171,502	177,292	183,012
2.5	2.5	2.4	3.0	3.4	3.2
2. Goods	77,194	77,802	79,885	82,515	84,531
-0.4	-0.4	0.8	2.7	3.3	2.4
3. Services	85,402	88,660	91,617	94,777	98,480
5.3	5.3	3.8	3.3	3.4	3.9
4. Government expenditure on goods and services:	61,951	64,031	63,865	63,816	63,806
9.0	9.0	3.4	-0.3	-0.1	0.0
5. Current expenditure	55,795	57,971	58,623	57,772	57,329
9.5	9.5	3.9	1.1	-1.5	-0.8
6. Capital expenditure	6,156	6,060	5,242	6,044	6,477
4.6	4.6	-1.6	-13.5	15.3	7.2
7. Business gross fixed capital formation:	44,147	41,643	39,075	41,292	40,833
-9.8	-9.8	-5.7	-6.2	5.7	-1.1
8. Residential construction	15,687	15,781	14,668	15,299	13,346
-12.9	-12.9	0.6	-7.1	4.3	-12.8
9. Non-residential construction	11,347	9,257	7,459	6,123	6,026
-7.5	-7.5	-18.4	-19.4	-17.9	-1.6
10. Machinery and equipment	17,113	16,605	16,948	19,871	21,460
-8.2	-8.2	-3.0	2.1	17.2	8.0
11. Exports of goods and services	131,996	140,970	156,418	182,258	202,504
-4.5	-4.5	6.8	11.0	16.5	11.1
12. DEDUCT: Imports of goods and services	118,201	126,589	139,925	164,314	180,506
-2.7	-2.7	7.1	10.5	17.4	9.9
13. Value of physical change in inventories:	-2,315	-2,553	-1,061	1,449	3,301
14. Non-farm	-2,219	-2,255	-1,152	1,479	3,323
15. Farm and grain in commercial channels	-96	-298	91	-30	-22
16. Statistical Discrepancy	-1,711	-1,161	-1,305	-711	369
17. Gross Domestic Product at market prices	278,463	282,803	288,569	301,082	313,319
0.3	0.3	1.6	2.0	4.3	4.1
18. Gross Domestic Product in constant (1986) dollars	222,106	224,330	226,954	237,754	245,271
	-3.2	1.0	1.2	4.7	3.2

Note: Percentage change from previous year is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT AT 1986 PRICES**  
(\$ millions)

**TABLE 10**

	1991	1992	1993	1994	1995
<b>1. Personal expenditure on consumer goods and services:</b>	<b>130,279</b>	<b>131,681</b>	<b>133,120</b>	<b>136,747</b>	<b>138,948</b>
	-1.9	1.1	1.1	2.7	1.6
<b>2. Goods</b>	<b>62,953</b>	<b>63,330</b>	<b>64,153</b>	<b>66,783</b>	<b>67,579</b>
	-4.1	0.6	1.3	4.1	1.2
<b>3. Services</b>	<b>67,326</b>	<b>68,351</b>	<b>68,967</b>	<b>69,964</b>	<b>71,369</b>
	0.3	1.5	0.9	1.4	2.0
<b>4. Government expenditure on goods and services:</b>	<b>50,215</b>	<b>50,856</b>	<b>50,170</b>	<b>49,811</b>	<b>49,703</b>
	4.9	1.3	-1.3	-0.7	-0.2
<b>5. Current expenditure</b>	<b>44,216</b>	<b>44,660</b>	<b>44,747</b>	<b>43,661</b>	<b>42,975</b>
	4.2	1.0	0.2	-2.4	-1.6
<b>6. Capital expenditure</b>	<b>5,999</b>	<b>6,196</b>	<b>5,423</b>	<b>6,150</b>	<b>6,728</b>
	10.7	3.3	-12.5	13.4	9.4
<b>7. Business gross fixed capital formation:</b>	<b>40,566</b>	<b>39,996</b>	<b>38,282</b>	<b>40,714</b>	<b>42,334</b>
	-6.2	-1.4	-4.3	6.4	4.0
<b>8. Residential construction</b>	<b>11,761</b>	<b>12,044</b>	<b>11,150</b>	<b>11,346</b>	<b>9,838</b>
	-13.8	2.4	-7.4	1.8	-13.3
<b>9. Non-residential construction</b>	<b>9,586</b>	<b>7,926</b>	<b>6,300</b>	<b>4,985</b>	<b>4,776</b>
	-4.4	-17.3	-20.5	-20.9	-4.2
<b>10. Machinery and equipment</b>	<b>19,219</b>	<b>20,026</b>	<b>20,832</b>	<b>24,383</b>	<b>27,720</b>
	-1.8	4.2	4.0	17.0	13.7
<b>11. Exports of goods and services</b>	<b>126,097</b>	<b>133,737</b>	<b>144,687</b>	<b>165,521</b>	<b>181,978</b>
	-3.5	6.1	8.2	14.4	9.9
<b>12. DEDUCT: Imports of goods and services</b>	<b>121,510</b>	<b>128,748</b>	<b>137,404</b>	<b>156,478</b>	<b>170,267</b>
	-0.5	6.0	6.7	13.9	8.8
<b>13. Value of physical change in inventories</b>	<b>-2,120</b>	<b>-2,233</b>	<b>-841</b>	<b>1,665</b>	<b>2,727</b>
<b>14. Non-farm</b>	<b>-2,036</b>	<b>-1,980</b>	<b>-841</b>	<b>1,581</b>	<b>2,736</b>
<b>15. Farm and grain in commercial channels</b>	<b>-84</b>	<b>-253</b>	<b>0</b>	<b>84</b>	<b>-9</b>
<b>16. Statistical Discrepancy</b>	<b>-1,421</b>	<b>-959</b>	<b>-1,060</b>	<b>-226</b>	<b>-152</b>
<b>17. Gross Domestic Product</b>	<b>222,106</b>	<b>224,330</b>	<b>226,954</b>	<b>237,754</b>	<b>245,271</b>
	-3.2	1.0	1.2	4.7	3.2
<b>18. Final Domestic Demand (1986) dollars</b>	<b>221,062</b>	<b>222,534</b>	<b>221,574</b>	<b>227,272</b>	<b>230,985</b>
	-1.3	0.7	-0.4	2.6	1.6

Notes: Percentage change from previous year is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**SOURCES AND DISPOSITION OF ONTARIO PERSONAL INCOME**

(\$ millions)

TABLE 11

	1991	1992	1993	1994	1995
<b>1. Wages, salaries, and supplementary labour income</b>	<b>158,253</b>	<b>160,778</b>	<b>161,893</b>	<b>166,119</b>	<b>171,889</b>
2.0	2.0	1.6	0.7	2.6	3.5
<b>2. Add: Military pay and allowances</b>	<b>1,339</b>	<b>1,415</b>	<b>1,394</b>	<b>1,512</b>	<b>1,417</b>
4.8	4.8	5.7	-1.5	8.5	-6.3
<b>3. Net income of farm operators from farm production</b>	<b>183</b>	<b>257</b>	<b>467</b>	<b>219</b>	<b>359</b>
-41.9	-41.9	40.4	81.7	-53.2	64.2
<b>4. Net income of non-farm unincorporated business including rent</b>	<b>14,920</b>	<b>15,321</b>	<b>16,537</b>	<b>16,865</b>	<b>17,160</b>
3.1	3.1	2.7	7.9	2.0	1.7
<b>5. Interest, dividends, and miscellaneous investment income</b>	<b>35,532</b>	<b>33,884</b>	<b>32,021</b>	<b>32,347</b>	<b>35,283</b>
-6.1	-6.1	-4.6	-5.5	1.0	9.1
<b>6. Current transfers from government, corporations and non-residents</b>	<b>35,536</b>	<b>39,273</b>	<b>40,905</b>	<b>41,442</b>	<b>41,324</b>
18.6	18.6	10.5	4.2	1.3	-0.3
<b>7. Equals: Personal income</b>	<b>245,763</b>	<b>250,928</b>	<b>253,217</b>	<b>258,503</b>	<b>267,431</b>
2.8	2.8	2.1	0.9	2.1	3.5
<b>8. Deduct: Personal direct taxes</b>	<b>56,118</b>	<b>56,770</b>	<b>57,002</b>	<b>58,895</b>	<b>62,697</b>
1.4	1.4	1.2	0.4	3.3	6.5
<b>9. Other current transfers to government</b>	<b>934</b>	<b>970</b>	<b>1,032</b>	<b>1,052</b>	<b>1,026</b>
1.7	1.7	4.0	6.4	1.9	-2.4
<b>10. Equals: Personal disposable income</b>	<b>188,712</b>	<b>193,188</b>	<b>195,183</b>	<b>198,556</b>	<b>203,708</b>
3.3	3.3	2.4	1.0	1.7	2.6
<b>11. Deduct: Personal expenditure on consumer goods and services</b>	<b>162,596</b>	<b>166,462</b>	<b>171,502</b>	<b>177,292</b>	<b>183,012</b>
2.5	2.5	2.4	3.0	3.4	3.2
<b>12. Current transfers to corporations</b>	<b>3,344</b>	<b>2,468</b>	<b>1,965</b>	<b>1,857</b>	<b>2,598</b>
-13.9	-13.9	-26.2	-20.4	-5.5	39.9
<b>13. Current transfers to non-residents</b>	<b>288</b>	<b>352</b>	<b>369</b>	<b>389</b>	<b>409</b>
5.1	5.1	22.2	4.8	5.4	5.0
<b>14. Equals: Personal saving</b>	<b>22,484</b>	<b>23,906</b>	<b>21,347</b>	<b>19,017</b>	<b>17,690</b>
12.4	12.4	6.3	-10.7	-10.9	-7.0
<b>15. Personal savings rate</b>	<b>11.9</b>	<b>12.4</b>	<b>10.9</b>	<b>9.6</b>	<b>8.7</b>

Note: Percentage change from previous year is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO TRADE**

(\$ millions)

**TABLE 12**

	<b>1991</b>	<b>1992</b>	<b>1993</b>	<b>1994</b>	<b>1995</b>
<b>1. Exports of Goods and Services</b>	<b>131,996</b>	<b>140,970</b>	<b>156,418</b>	<b>182,258</b>	<b>202,504</b>
	-4.5	6.8	11.0	16.5	11.1
<b>2. Of Which: International</b>	<b>77,654</b>	<b>88,259</b>	<b>101,828</b>	<b>122,613</b>	<b>140,777</b>
	-1.6	13.7	15.4	20.4	14.8
<b>3. Goods</b>	<b>65,573</b>	<b>75,677</b>	<b>87,501</b>	<b>106,037</b>	<b>122,638</b>
	-2.9	15.4	15.6	21.2	15.7
<b>4. Services</b>	<b>12,081</b>	<b>12,582</b>	<b>14,327</b>	<b>16,576</b>	<b>18,139</b>
	6.4	4.1	13.9	15.7	9.4
<b>5. Of Which: Interprovincial Goods and Services</b>	<b>54,342</b>	<b>52,711</b>	<b>54,590</b>	<b>59,645</b>	<b>61,727</b>
	-8.3	-3.0	3.6	9.3	3.5
<b>6. Imports of Goods and Services</b>	<b>118,201</b>	<b>126,589</b>	<b>139,925</b>	<b>164,314</b>	<b>180,506</b>
	-2.7	7.1	10.5	17.4	9.9
<b>7. Trade Balance</b>	<b>13,796</b>	<b>14,381</b>	<b>16,493</b>	<b>17,944</b>	<b>21,998</b>

Note: Percentage change from previous year is given on the second line.

Source: Office of Economic Policy, Ontario Ministry of Finance

**RELATIONSHIP BETWEEN ONTARIO GROSS DOMESTIC PRODUCT  
AND ONTARIO GROSS PROVINCIAL PRODUCT**

*(\$ millions)*

**TABLE 13**

	<b>1991</b>	<b>1992</b>	<b>1993</b>	<b>1994</b>	<b>1995</b>
<b>1. Gross Domestic Product at market prices</b>	<b>278,463</b>	<b>282,802</b>	<b>288,569</b>	<b>301,082</b>	<b>313,319</b>
	0.3	1.6	2.0	4.3	4.1
<b>2. Less: Investment income paid to non-residents</b>	<b>13,361</b>	<b>13,733</b>	<b>14,088</b>	<b>15,578</b>	<b>16,558</b>
	-5.4	2.8	2.6	10.6	6.3
<b>3. Plus: Investment income received from non-residents</b>	<b>6,458</b>	<b>5,930</b>	<b>6,491</b>	<b>7,019</b>	<b>8,346</b>
	-3.2	-8.2	9.5	8.1	18.9
<b>4. Equals: Gross Provincial Product at market prices</b>	<b>271,559</b>	<b>274,999</b>	<b>280,972</b>	<b>292,523</b>	<b>305,108</b>
	0.6	1.3	2.2	4.1	4.3

**Note:** Percentage change from previous year is given on the second line.

**Sources:** Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO DEFLATORS**

(1986 = 100)

**TABLE 14**

	1991	1992	1993	1994	1995
1. Personal expenditure on consumer goods and services:	124.8 4.5	126.4 1.3	128.8 1.9	129.6 0.6	131.7 1.6
2. Goods	122.6 3.8	122.9 0.2	124.5 1.4	123.6 -0.8	125.1 1.2
3. Services	126.8 5.0	129.7 2.3	132.8 2.4	135.5 2.0	138.0 1.9
4. Government expenditure on goods and services:	123.4 3.9	125.9 2.1	127.3 1.1	128.1 0.6	128.4 0.2
5. Current expenditure	126.2 5.1	129.8 2.9	131.0 0.9	132.3 1.0	133.4 0.8
6. Capital expenditure	102.7 -5.5	97.8 -4.7	96.7 -1.2	98.2 1.6	96.3 -1.9
7. Business gross fixed capital formation:	108.8 -3.7	104.1 -4.3	102.1 -2.0	101.5 -0.6	96.5 -4.9
8. Residential construction	133.4 1.2	131.0 -1.8	131.5 0.4	134.9 2.5	135.7 0.6
9. Non-residential construction	118.4 -3.3	116.8 -1.3	118.4 1.4	123.0 3.8	126.2 2.6
10. Machinery and equipment	89.0 -6.5	83.0 -6.8	81.4 -2.0	81.6 0.3	77.4 -5.1
11. Exports of goods and services	104.7 -1.0	105.4 0.6	108.1 2.6	110.1 1.9	111.3 1.1
12. DEDUCT: Imports of goods and services	97.4 -2.1	98.3 0.9	101.8 3.6	105.0 3.1	106.0 1.0
13. Value of physical change in inventories	109.2	114.3	126.1	87.1	121.1
14. Non-farm	109.0	113.9	137.0	93.5	121.4
15. Farm and grain in commercial channels	101.4	117.8	273536.3	-35.9	235.6
16. Gross Domestic Product	125.4 3.6	126.1 0.6	127.1 0.8	126.6 -0.4	127.7 0.9
17. Final Domestic Demand	121.5 2.9	122.3 0.7	123.9 1.2	124.3 0.3	124.5 0.2

Note: Percentage change from previous quarter is given at annual rate on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO PRODUCTION BY INDUSTRY, 1986\$**

(\$millions, seasonally adjusted at annual rates)

Table 15

	1993				1994			
	I	II	III	IV	I	II	III	IV
1. Primary	5,208 23.0	5,198 -0.8	5,081 -8.7	4,957 -9.4	4,923 -2.7	5,178 22.3	5,379 16.5	5,664 23.0
2. Manufacturing	46,588 8.2	46,395 -1.6	46,783 3.4	47,950 10.4	47,988 0.3	50,090 18.7	51,857 14.9	54,460 21.6
3. Construction	10,426 1.0	9,393 -34.1	8,454 -34.4	8,219 -10.7	8,580 18.8	9,213 33.0	9,281 3.0	9,817 25.2
4. Utilities	5,131 4.9	5,142 0.8	5,299 12.8	5,385 6.7	5,740 29.1	5,579 -10.8	5,409 -11.6	5,060 -23.4
5. Goods Producing Industries	67,354 7.9	66,128 -7.1	65,616 -3.1	66,511 5.6	67,232 4.4	70,060 17.9	71,927 11.1	75,002 18.2
6. Transportation, Storage and Communication	14,229 3.2	14,131 -2.7	14,219 2.5	14,293 2.1	14,798 14.9	14,861 1.7	14,855 -0.2	15,261 11.4
7. Trade	24,106 3.7	24,146 0.7	24,456 5.2	25,100 11.0	25,464 5.9	26,132 10.9	26,723 9.4	27,532 12.7
8. Finance, Insurance and Real Estate	31,532 3.7	31,982 5.8	32,251 3.4	32,546 3.7	32,752 2.5	32,567 -2.2	32,441 -1.5	32,474 0.4
9. Community, Business and Personal Services	47,180 1.3	47,477 2.5	47,342 -1.1	47,441 0.8	47,505 0.5	47,934 3.7	48,240 2.6	48,440 1.7
10. Government Services	12,425 -0.3	12,366 -1.9	12,348 -0.6	12,428 2.6	12,385 -1.4	12,281 -3.3	12,251 -1.0	12,224 -0.9
11. Services Producing Industries	129,471 2.4	130,102 2.0	130,617 1.6	131,808 3.7	132,904 3.4	133,774 2.6	134,510 2.2	135,932 4.3
12. Miscellaneous Industries	1,045	1,255	1,424	1,236	947	706	2,147	1,584
13. Total Production (1986\$) at Factor Cost	197,870 3.8	197,485 -0.8	197,657 0.3	199,555 3.9	201,083 3.1	204,541 7.1	208,584 8.1	212,517 7.8
14. Indirect Taxes Less Subsidies plus Miscellaneous Adjustments	26,325	28,798	29,373	30,755	32,054	30,203	30,908	31,124
15. Gross Domestic Product (1986\$) at Market Prices	224,195 1.8	226,283 3.8	227,030 1.3	230,310 5.9	233,138 5.0	234,744 2.8	239,492 8.3	243,641 7.1

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO PRODUCTION BY INDUSTRY, 1986\$**  
(\$millions, seasonally adjusted at annual rates)

Table 15

	1995				1996			
	I	II	III	IV	I	II	III	IV
1. Primary	5,383 -18.5	5,345 -2.8	5,495 11.7	5,483 -0.8	5,649 12.6	5,595 -3.7		
2. Manufacturing	55,270 6.1	53,377 -13.0	54,016 4.9	54,356 2.5	54,207 -1.1	54,938 5.5		
3. Construction	9,198 -22.9	8,657 -21.5	8,657 0.0	8,612 -2.1	8,760 7.1	8,945 8.7		
4. Utilities	5,178 9.7	5,368 15.5	5,610 19.3	5,482 -8.8	5,455 -2.0	5,387 -4.9		
<b>5. Goods Producing Industries</b>	<b>75,029 0.1</b>	<b>72,747 -11.6</b>	<b>73,777 5.8</b>	<b>73,934 0.9</b>	<b>74,071 0.7</b>	<b>74,866 4.4</b>		
6. Transportation, Storage and Communication	15,445 4.9	15,476 0.8	15,756 7.4	15,919 4.2	15,967 1.2	16,200 6.0		
7. Trade	27,464 -1.0	27,274 -2.7	27,543 4.0	27,216 -4.7	27,548 5.0	27,590 0.6		
8. Finance, Insurance and Real Estate	32,443 -0.4	32,852 5.1	33,247 4.9	33,405 1.9	33,940 6.6	34,406 5.6		
9. Community, Business and Personal Services	48,729 2.4	49,080 2.9	49,406 2.7	49,733 2.7	49,677 -0.4	49,260 -3.3		
10. Government Services	12,188 -1.2	12,146 -1.4	12,107 -1.3	11,973 -4.3	11,164 -24.4	11,552 14.7		
<b>11. Services Producing Industries</b>	<b>136,269 1.0</b>	<b>136,827 1.6</b>	<b>138,060 3.7</b>	<b>138,247 0.5</b>	<b>138,296 0.1</b>	<b>139,007 2.1</b>		
<b>12. Miscellaneous Industries</b>	<b>1,046</b>	<b>1,298</b>	<b>2182</b>	<b>3254</b>	<b>2684</b>	<b>2,502</b>		
<b>13. Total Production (1986\$) at Factor Cost</b>	<b>212,344 -0.3</b>	<b>210,873 -2.7</b>	<b>214,019 6.1</b>	<b>215,435 2.7</b>	<b>215,051 -0.7</b>	<b>216,375 2.5</b>		
<b>14. Indirect Taxes Less Subsidies plus Miscellaneous Adjustments</b>	<b>31,100</b>	<b>30,987</b>	<b>32,442</b>	<b>33,885</b>	<b>33,714</b>	<b>33,619</b>		
<b>15. Gross Domestic Product (1986\$) at Market Prices</b>	<b>243,444 -0.3</b>	<b>241,860 -2.6</b>	<b>246,461 7.8</b>	<b>249,319 4.7</b>	<b>248,765 -0.9</b>	<b>249,994 2.0</b>		

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

## ONTARIO PRODUCTION BY INDUSTRY, 1986\$

(\$millions)

Table 16

	1990	1991	1992	1993	1994	1995
<b>1. Primary</b>	<b>5,444</b> -7.1	<b>5,064</b> -7.0	<b>5,012</b> -1.0	<b>5,111</b> 2.0	<b>5,286</b> 3.4	<b>5,426</b> 2.7
<b>2. Manufacturing</b>	<b>47,731</b> -6.7	<b>43,901</b> -8.0	<b>44,815</b> 2.1	<b>46,929</b> 4.7	<b>51,099</b> 8.9	<b>54,255</b> 6.2
<b>3. Construction</b>	<b>12,005</b> -6.0	<b>11,035</b> -8.1	<b>10,273</b> -6.9	<b>9,123</b> -11.2	<b>9,223</b> 1.1	<b>8,781</b> -4.8
<b>4. Utilities</b>	<b>4,673</b> -10.8	<b>5,303</b> 13.5	<b>5,131</b> -3.2	<b>5,239</b> 2.1	<b>5,447</b> 4.0	<b>5,410</b> -0.7
<b>5. Goods Producing Industries</b>	<b>69,853</b> -6.9	<b>65,303</b> -6.5	<b>65,230</b> -0.1	<b>66,402</b> 1.8	<b>71,055</b> 7.0	<b>73,872</b> 4.0
<b>6. Transportation, Storage and Communication</b>	<b>14,427</b> 2.6	<b>13,943</b> -3.4	<b>14,097</b> 1.1	<b>14,218</b> 0.9	<b>14,944</b> 5.1	<b>15,649</b> 4.7
<b>7. Trade</b>	<b>24,328</b> -1.3	<b>23,282</b> -4.3	<b>23,573</b> 1.3	<b>24,452</b> 3.7	<b>26,463</b> 8.2	<b>27,374</b> 3.4
<b>8. Finance, Insurance and Real Estate</b>	<b>30,878</b> -0.1	<b>31,545</b> 2.2	<b>31,386</b> -0.5	<b>32,078</b> 2.2	<b>32,559</b> 1.5	<b>32,987</b> 1.3
<b>9. Community, Business and Personal Services</b>	<b>47,249</b> -0.9	<b>46,808</b> -0.9	<b>46,938</b> 0.3	<b>47,360</b> 0.9	<b>48,030</b> 1.4	<b>49,237</b> 2.5
<b>10. Government Services</b>	<b>11,970</b> 1.8	<b>12,254</b> 2.4	<b>12,437</b> 1.5	<b>12,392</b> -0.4	<b>12,285</b> -0.9	<b>12,104</b> -1.5
<b>11. Services Producing Industries</b>	<b>128,853</b> -0.2	<b>127,831</b> -0.8	<b>128,431</b> 0.5	<b>130,499</b> 1.6	<b>134,280</b> 2.9	<b>137,351</b> 2.3
<b>12. Miscellaneous Industries</b>	<b>1,368</b>	<b>1,353</b>	<b>1,327</b>	<b>1,240</b>	<b>1,346</b>	<b>1,945</b>
<b>13. Total Production (86\$) at Factor Cost</b>	<b>200,073</b> -2.6	<b>194,487</b> -2.8	<b>194,987</b> 0.3	<b>198,142</b> 1.6	<b>206,681</b> 4.3	<b>213,168</b> 3.1
<b>14. Indirect Taxes Less Subsidies plus Miscellaneous Adjustments</b>	<b>29,317</b> -2.4	<b>27,619</b> -3.2	<b>29,343</b> 1.0	<b>28,813</b> 1.2	<b>31,072</b> 4.7	<b>32,103</b> 3.2
<b>15. Gross Domestic Product (1986\$) at Market Prices</b>	<b>229,390</b> -2.4	<b>222,106</b> -3.2	<b>224,330</b> 1.0	<b>226,954</b> 1.2	<b>237,754</b> 4.7	<b>245,271</b> 3.2

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada



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# Ontario Economic Accounts

THIRD QUARTER OF 1996

February 1997

## Ontario Economy Accelerates in 1996:3

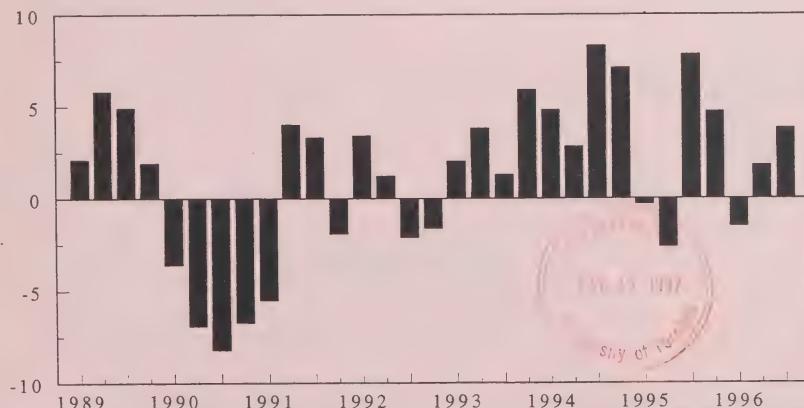
The Ontario economy recorded its strongest performance of the year in the third quarter of 1996 (July-September), with real GDP at *market prices* rising by 3.8% at annual rates. This followed a revised gain of 1.8% in the second quarter. The rise in economic activity in the third quarter was led by strong business investment in plant and equipment, a healthy housing sector, a slowdown in the rate of inventory liquidation and continued export growth.

Business outlays on machinery and equipment rose at their strongest pace in a decade, while spending on housing is poised to record its best annual gain since the late 1980s. Businesses dramatically reduced the rate of inventory depletion, providing an additional boost to overall GDP growth.

On an industry basis, growth in the third quarter was concentrated in wholesale trade, construction, and transportation, storage and communication. The manufacturing sector also registered solid growth, led by the automotive industry, primary metals and food products.

### Ontario Real GDP

% change, seasonally adjusted annual rate



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The **GDP price deflator** rose 3.6% at annual rates in 1996:3, following an increase of 2.1% in the previous quarter. Most of the rise in the deflator was in exports, particularly in autos and chemicals. This was partially offset by a slight decline in domestic prices. The highlights of 1996:3 are presented in Table 1.

**Ontario Economic Accounts Summary, 1995:4 - 1996:3**  
(1986\$, Seasonally Adjusted Annual Rates)

Table 1

	1995:4	1996:1	1996:2	1996:3	1995
<b>Highlights (\$1986 Billions)</b>					
Gross Domestic Product	249.3 4.7	248.4 -1.5	249.5 1.8	251.9 3.8	245.3 3.2
Gross Domestic Product (Current \$)	319.6 5.4	319.0 -0.7	322.1 3.9	328.0 7.5	313.3 4.1
GDP Deflator (1986=100)	128.2 0.6	128.4 0.8	129.1 2.1	130.2 3.6	127.7 0.9
Final Domestic Demand <sup>1</sup>	230.7 -0.2	233.0 4.2	234.3 2.2	236.7 4.2	231.0 1.6
Final Demand <sup>2</sup>	248.3 6.5	248.8 0.9	252.8 6.5	252.7 -0.1	242.7 2.7
<b>Composition of Growth<sup>3</sup></b>					
(\$ Millions)					
Total GDP	2,858	-939	1,117	2,356	7,517
Consumer Spending	-833	1,366	69	169	2,201
Business Machinery and Equipment	562	1,133	254	2,483	3,337
Non-Residential Construction	185	103	87	75	-209
Residential Construction	-117	627	584	328	-1,508
Government Spending	85	-843	270	-613	-108
Net Exports	3,992	-1,851	2,688	-2,502	2,668
Inventories	-967	-1,407	-2,906	2,524	1,062

Source: Ontario Ministry of Finance and Statistics Canada

Note: Per cent change from previous period at annual rates, is given in italics

1. Combined sum of consumer spending, government spending and business investment excluding inventory investment.

2. Final domestic demand plus net exports.

3. Does not sum to GDP growth, as the "statistics discrepancy" is not shown.

## Income and Expenditure Details

**Real consumer spending** rose by 0.5% at annual rates in 1996:3, after a similar increase in the second quarter. Consumer spending on goods declined by 1.0% at annual rates as consumers reduced spending on auto repairs and parts, and clothing. Expenditures on services rose 1.8%, with the gain concentrated in energy.

- **Personal income** grew by 1.6% at annual rates in 1996:3, after a 1.4% increase in the second quarter. Ontario wages, salaries and supplementary income, the largest component of personal income, rose 3.1% at annual rates. This was partially offset by steady investment income and a decline in government transfer payments, reflecting declining social assistance case loads and lower EI payments.
- **Personal disposable income** rose substantially by 3.8% at annual rates in the third quarter, largely a reflection of the reduction in Ontario's personal income tax rates, which came into effect on July 1<sup>st</sup>. The Ontario **savings rate** rose from 7.0% in 1996:2 to 7.3% in 1996:3.

**The Consumer Sector, 1995:4 - 1996:3**

(1986 \$ Millions, Seasonally Adjusted Annual Rates)

**Table 2**

	1995:4	1996:1	1996:2	1996:3	1995
Consumer Spending	138,857 -2.4	140,223 4.0	140,292 0.2	140,461 0.5	138,948 1.6
- Goods	66,747 -6.9	67,190 2.7	66,980 -1.2	66,821 -1.0	67,579 1.2
- Services	72,110 2.0	73,033 5.2	73,312 1.5	73,640 1.8	71,369 2.0
Personal Income (Current \$)	270,252 2.7	270,188 -0.1	271,115 1.4	272,184 1.6	267,431 3.5
Personal Disposable Income (Current \$)	205,250 3.1	204,641 -1.2	204,407 -0.5	206,346 3.8	203,708 2.6
Personal Savings Rate (%)	9.0	7.6	7.0	7.3	8.7
Source: Ontario Ministry of Finance and Statistics Canada					
Note: Per cent change from previous quarter, at annual rates, is given in italics					

- **Residential construction** continued its strong showing in 1996:3, rising by 12.7% at annualized rates, the third straight double-digit gain. The performance in Ontario's housing market so far in 1996 is the strongest since the late 1980s. The gain in the third quarter occurred in new construction, resale activity and renovation and repair spending.
  - For the year 1996 as a whole, Ontario all-area housing starts rose 20.2% and resale activity is up close to 30%. The resurgent housing market in 1996 reflects improved consumer confidence and the most affordable housing in over a decade.
- Real **business investment** in plant and equipment rose sharply by 33.4%, after rising 4.1% in the previous quarter. Outlays on machinery and equipment jumped 38.8%, the strongest gain in a decade, as firms increased outlays on computers, industrial machinery and autos. Non-residential construction was up 6.0%, the seventh straight quarterly increase.
- The decline in real **inventories** slowed to \$0.6 billion in the third quarter, following a \$3.1 billion rundown in the previous quarter. Manufacturers and retailers lowered inventory levels, while stock building occurred in wholesale trade.
- **Corporation profits** before taxes increased by 52.0% at annual rates in 1996:3, after rising by 16.8% in 1996:2. The rise in profits was concentrated in computers and related services, chemicals, consumer goods and banks, offsetting declines in the auto, iron and steel, non-ferrous metal, printing and insurance industries.

**The Business Sector, 1995:4 - 1996:3**  
(1986 \$ Millions, Seasonally Adjusted Annual Rates)

**Table 3**

	1995:4	1996:1	1996:2	1996:3	1995
Residential Construction	9,615 -4.7	10,242 28.8	10,827 24.8	11,154 12.7	9,838 -13.3
Business Plant and Equipment	32,646 9.7	33,882 16.0	34,222 4.1	36,780 33.4	32,496 10.7
- Non-Residential Construction	4,964 16.4	5,067 8.5	5,154 7.0	5,229 6.0	4,776 -4.2
- Machinery and Equipment	27,682 8.5	28,815 17.4	29,068 3.6	31,551 38.8	27,720 13.7
Business and Farm Inventory Accumulation	1,227	-181	-3,087	-563	2,727
Pre-Tax Corporate Profits (Current \$)	31,268 21.9	29,409 -21.7	30,571 16.8	33,942 52.0	28,678 14.9

Source: Ontario Ministry of Finance and Statistics Canada

Note: Per cent change from previous quarter, at annual rates, is given in italics

Real Ontario exports rose 3.0% at annual rates in the third quarter, after increasing by 7.2% in the second quarter. At the national level, total real auto exports (cars, trucks and parts) rose by 14.0% at annual rates in 1996:3, more than offset by a drop of 42.9% in office machines and equipment. Nearly ninety per cent of the production of both these industries occurs in Ontario.

Real imports rose by 9.4% at annual rates, after a 1.4% gain in the previous quarter. With imports rising faster than exports, the real trade balance narrowed from an eleven year high of \$18.5 billion in the second quarter to a still high \$16.0 billion in 1996:3.

- Exports of food, forestry products, chemicals, iron and steel, cars, trucks, and auto parts and industrial machinery all rose in the quarter, offsetting lower exports of office machines and equipment.
- Imports of most commodities increased, notably machinery and equipment, autos, chemicals, primary metals and food.

**The External Sector, 1995:4 - 1996:3**  
(1986 \$ Millions, Seasonally Adjusted Annual Rates)

**Table 4**

	1995:4	1996:1	1996:2	1996:3	1995
Total Exports	189,764 24.3	187,562 -4.6	190,833 7.2	192,247 3.0	181,978 9.9
Total Imports	172,143 15.4	171,792 -0.8	172,375 1.4	176,291 9.4	170,267 8.8
Balance of Trade	17,621	15,770	18,458	15,956	11,711

Source: Ontario Ministry of Finance and Statistics Canada

Note: Per cent change from previous quarter, at annual rates, is given in italics

Total real **government spending** in Ontario by all levels of government (federal, provincial and local) fell by 4.9% at annual rates in 1996:3, after rising by 2.2% in 1996:2.

- Government **current spending** on goods and services declined by 4.4% at annual rates in 1996:3, down from a 5.0% rise in the second quarter.
- Real government **capital investment** fell 8.2% at annual rates in the third quarter, following a 13.9% drop in 1996:2.

**The Government Sector, 1995:4 - 1996:3**

(1986 \$ Millions, Seasonally Adjusted Annual Rates)

**Table 5**

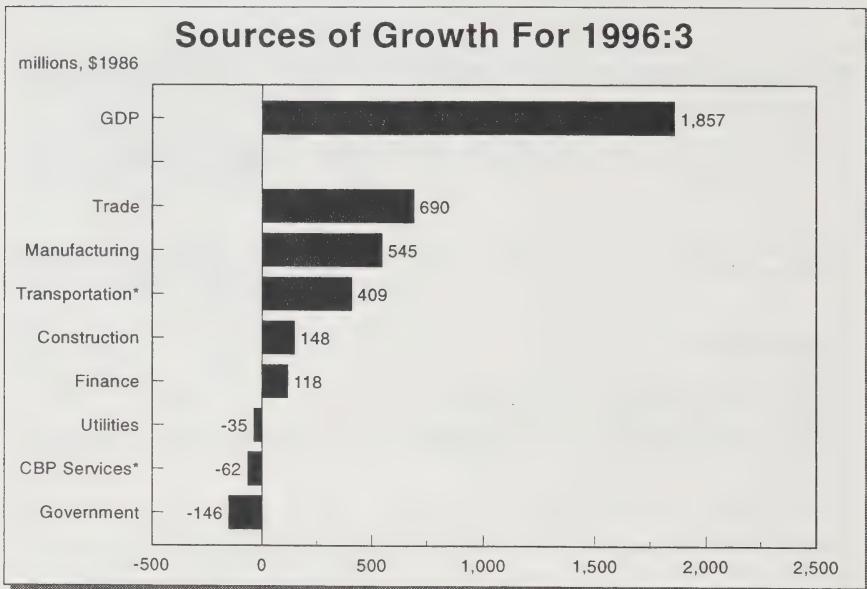
	1995:4	1996:1	1996:2	1996:3	1995
Total Government Expenditure*	49,539 0.7	48,696 -6.6	48,966 2.2	48,352 -4.9	49,703 -0.2
- Current Expenditure	42,775 0.0	41,973 -7.3	42,490 5.0	42,013 -4.4	42,975 -1.6
- Capital Expenditure	6,764 4.9	6,723 -2.4	6,476 -13.9	6,339 -8.2	6,728 9.4

Source: Ontario Ministry of Finance and Statistics Canada

Note: Per cent change from previous quarter, at annual rates, is given in italics

## Industry Details

Ontario production at *factor cost* rose 3.5% at annual rates in the third quarter, consistent with the 3.8% rise measured at market prices. The rise in production was concentrated in wholesale trade, manufacturing, transportation, storage and communication, and construction.



\* Transportation includes storage and communications. CBP includes community, business and personal services.

**Manufacturing** output continued to grow at a healthy pace in the third quarter, rising 4.0% at annual rates, following a 4.7% increase in the second quarter. The gain in production reflected higher output in the primary metals, food and auto industries.

- In the **auto sector**, which consists of cars, trucks and parts, output rose by 6.6% in 1996:3, following a sharp 34.5% rise in the second quarter.

Output in the **utilities** industry continued to decline, falling 2.6% at annual rates in 1996:3, marking the fourth straight quarterly drop. Electrical generation, which represents 80% of the utility industry, was down at an annual rate of 3.7%, reflecting the shutdown of several nuclear generating units at Pickering in the July-September period.

**The Goods Sector, 1995:4 - 1996:3**  
 (1986 \$ Millions, Seasonally Adjusted Annual Rates)

Table 6

	1995:4	1996:1	1996:2	1996:3	1995
Primary Industries	5,483 -0.8	5,634 11.4	5,589 -3.1	5,708 8.8	5,426 2.7
Manufacturing	54,356 2.5	54,100 -1.9	54,725 4.7	55,270 4.0	54,255 6.2
Construction	8,612 -2.1	8,628 0.7	8,738 5.2	8,886 6.9	8,781 -4.8
Utilities	5,482 -8.8	5,455 -2.0	5,387 -4.9	5,352 -2.6	5,410 -0.7
Total Goods Sector	73,934 0.9	73,816 -0.6	74,439 3.4	75,216 4.2	73,872 4.0

Source: Ontario Ministry of Finance and Statistics Canada

Note: Per cent change from previous quarter, at annual rates, is given in italics

Activity in the **construction** industry (which comprises residential and non-residential building) rose 6.9% at annual rates in 1996:3, after a strong 5.2% gain in the previous quarter.

In the service sector, output in the **transportation, storage and communication** industries accelerated, rising 10.5% in the third quarter, after a 5.5% gain in 1996:2, and the eighth straight quarterly increase. The rise in 1996:3 was concentrated in the communication sector.

**Financial** activity moderated, rising 1.4% at annual rates in the third quarter, following a rise of 5.1% in the second quarter and 7.0% in the first.

- Much of the gain in financial services so far this year is reflected in a 42% year-to-date rise in the trading volume of the Toronto Stock Exchange, led by sustained mutual fund investment. In addition, the strong housing market in Ontario boosted real estate commissions, which constitutes about one-third of the finance, insurance and real estate sector.

**Trade** activity registered a 10.4% gain at annual rates in the third quarter, following a flat second quarter, with the gain almost entirely in the wholesale group.

- At the wholesale level, activity shot ahead by 18.8% at annual rates in 1996:3, following gains of 5.4% in 1996:2 and 6.4% in 1996:1. This strong performance is reflected in an 18% rise in sales of stores specializing in computers and accessories in Canada so far in 1996.

**The Service Sector, 1995:4 - 1996:3**  
 (1986 \$ Millions, Seasonally Adjusted Annual Rates)

Table 7

	1995:4	1996:1	1996:2	1996:3	1995
Transportation, Storage and Communication	15,919 4.2	16,017 2.5	16,231 5.5	16,640 10.5	15,649 4.7
Wholesale and Retail Trade	27,216 -4.7	27,523 4.6	27,568 0.7	28,258 10.4	27,374 3.4
Finance, Insurance and Real Estate	33,405 1.9	33,975 7.0	34,396 5.1	34,514 1.4	32,987 1.3
Community, Business and Personal Services	49,733 2.7	49,471 -2.1	49,351 -1.0	49,289 -0.5	49,237 2.5
Government	11,973 -4.3	11,195 -23.6	11,544 13.1	11,398 -5.0	12,104 -1.5
Total Service Sector	138,247 0.5	138,180 -0.2	139,090 2.7	140,099 2.9	137,351 2.3

Source: Ontario Ministry of Finance and Statistics Canada

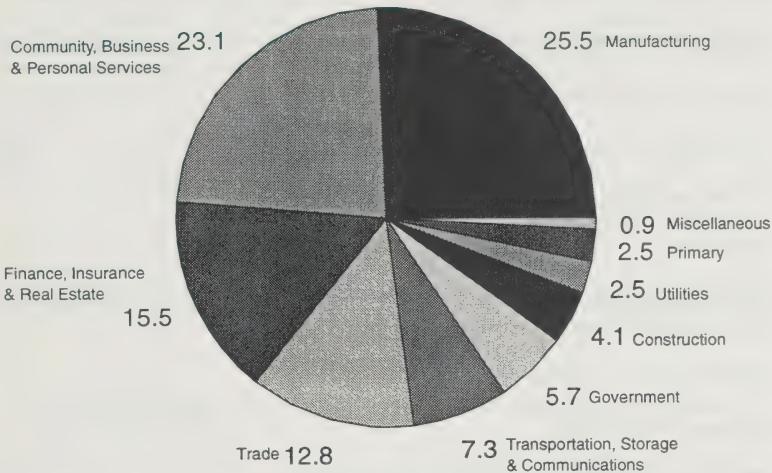
Note: Per cent change from previous quarter, at annual rates, is given in italics

In the **community, business and personal services** sector, output decreased by 0.5% at annual rates in 1996:3, the third consecutive quarterly decline.

Total **government** activity (federal, provincial, local) resumed its downward trend, falling 5.0% at annual rates in 1996:3, after a rise in the second quarter.

# Industrial Structure of Ontario Economy, 1995

% share



11  
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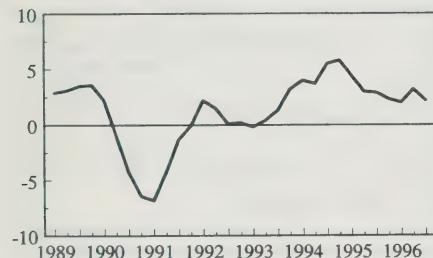
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# Ontario Economic Accounts Summary (1989:1 - 1996:3)

Gross Domestic Product

(1986 \$)

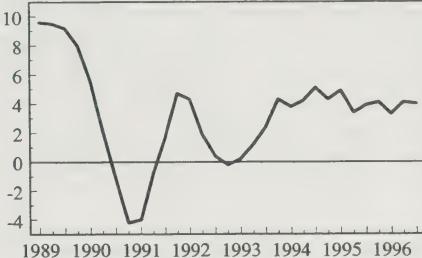
% change, year-over-year



Gross Domestic Product

(Current \$)

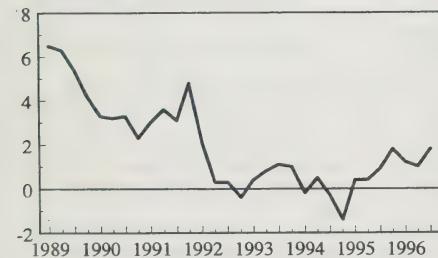
% change, year-over-year



GDP Deflator

(1986 = 100)

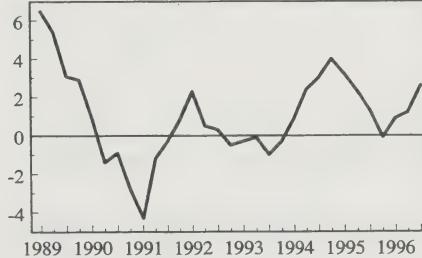
% change, year-over-year



Final Domestic Demand

(1986 \$)

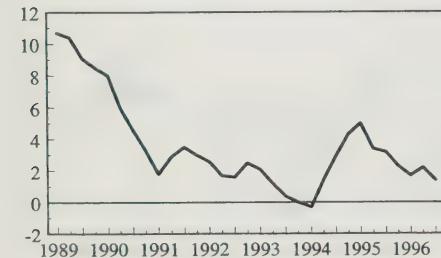
% change, year-over-year



Personal Income

(Current \$)

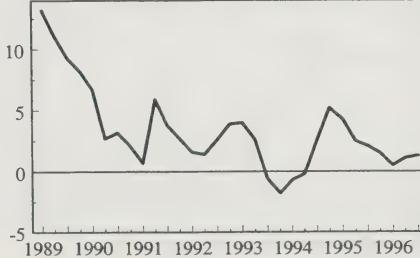
% change, year-over-year



Personal Disposable Income

(Current \$)

% change, year-over-year



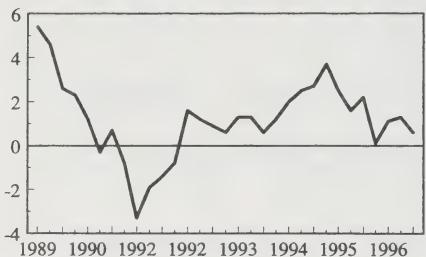
# Ontario Economic Accounts Summary

## (1989:1 - 1996:3)

### Consumer Spending

(1986 \$)

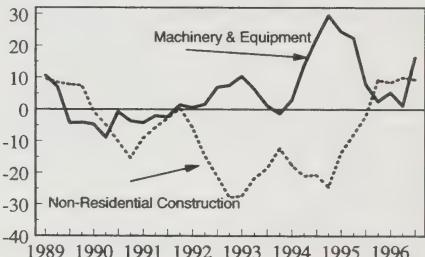
% change, year-over-year



### Business Plant & Equipment

(1986 \$)

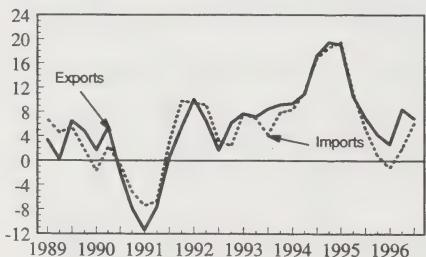
% change, year-over-year



### Trade

(1986 \$)

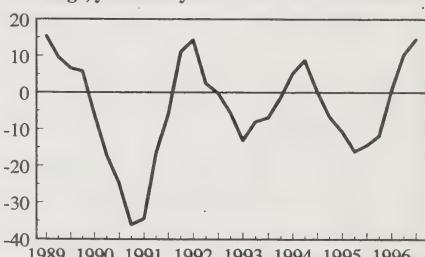
% change, year-over-year



### Residential Construction

(1986 \$)

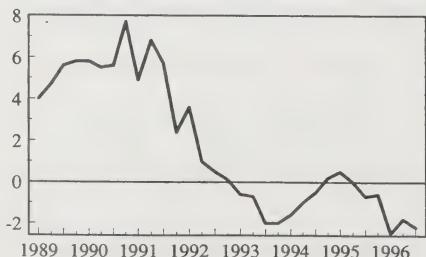
% change, year-over-year



### Government Spending

(1986 \$)

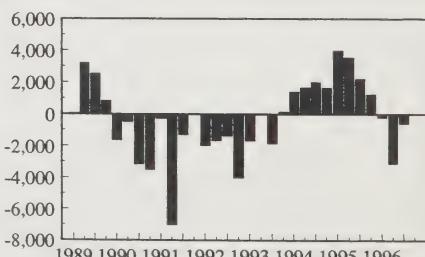
% change, year-over-year



### Change in Inventories

(1986 \$)

millions



**ONTARIO GROSS DOMESTIC PRODUCT, (INCOME BASED)**  
(\$ millions, seasonally adjusted at annual rates)

TABLE 1

	1995				1996			
	I	II	III	IV	I	II	III	IV
1. Wages, salaries, and supplementary labour income	171,771 2.0	170,944 -1.9	173,770 6.8	176,011 5.3	176,061 0.1	177,040 2.2	178,401 3.1	
2. Military Pay and allowances	1,513 -13.5	1,490 -5.9	1,354 -31.8	1,311 -12.1	1,215 -26.2	1,229 4.6	1,240 3.6	
3. Corporation profits before taxes	26,806 19.3	26,879 1.1	29,758 50.2	31,268 21.9	29,409 -21.7	30,571 16.8	33,942 52.0	
4. Interest and miscellaneous investment income	17,555 21.2	16,515 -21.7	16,058 -10.6	15,784 -6.7	15,569 -5.3	15,785 5.7	15,906 3.1	
5. Accrued net income of farm operators from farm production	235 240.5	360 450.7	450 144.1	619 258.0	757 123.7	1,190 510.7	1,273 31.0	
6. Net income of non-farm unincorporated business including rent	16,930 3.5	17,057 3.0	17,228 4.0	17,426 4.7	17,512 2.0	17,691 4.2	17,781 2.1	
7. Inventory valuation adjustment	-3,610	-1,320	-827	-433	244	-889	-1,065	
8. Net Domestic Income at factor cost	231,200 3.2	231,925 1.3	237,791 10.5	241,986 7.2	240,767 -2.0	242,617 3.1	247,478 8.3	
9. Indirect taxes less subsidies	41,492 -3.4	41,254 -2.3	41,018 -2.3	40,689 -3.2	41,329 6.4	41,385 0.5	41,941 5.5	
10. Capital consumption allowances and miscellaneous valuation adjustments	36,263 6.6	36,111 -1.7	36,635 5.9	36,913 3.1	36,926 0.1	38,104 13.4	38,586 5.2	
11. Gross Domestic Product at market prices	308,955 2.7	309,290 0.4	315,444 8.2	319,588 5.4	319,022 -0.7	322,106 3.9	328,005 7.5	

Note: Percentage change from previous quarter is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT, (EXPENDITURE BASED)**  
(\$ millions, seasonally adjusted at annual rates)

**TABLE 2**

	1995				1996			
	I	II	III	IV	I	II	III	IV
1. Personal expenditure on consumer goods and services:	181,453	182,335	184,567	183,691	186,070	187,165	188,360	2.6
	2.8	2.0	5.0	-1.9	5.3	2.4		
2. Goods	84,809	84,519	85,267	83,530	84,189	84,529	84,528	0.0
	2.9	-1.4	3.6	-7.9	3.2	1.6		
3. Services	96,644	97,816	99,300	100,161	101,881	102,636	103,832	4.7
	2.7	4.9	6.2	3.5	7.0	3.0		
4. Government expenditure on goods and services:	64,280	64,127	63,387	63,431	62,226	62,665	61,848	-5.1
	1.5	-0.9	-4.5	0.3	-7.4	2.9		
5. Current expenditure	57,524	57,674	56,971	57,147	56,034	56,681	56,003	-4.7
	3.5	1.0	-4.8	1.2	-7.6	4.7		
6. Capital expenditure	6,756	6,453	6,416	6,284	6,192	5,984	5,845	-9.0
	-13.4	-16.8	-2.3	-8.0	-5.7	-12.6		
7. Business gross fixed capital formation:	41,347	41,994	40,127	39,863	41,681	42,656	45,009	24.0
	-7.0	6.4	-16.6	-2.6	19.5	9.7		
8. Residential construction	13,736	13,250	13,361	13,038	13,899	14,811	15,315	
	-27.1	-13.4	3.4	-9.3	29.1	28.9		14.3
9. Non-residential construction	5,883	5,891	6,046	6,285	6,344	6,509	6,630	
	13.8	0.5	10.9	16.8	3.8	10.8		7.6
10. Machinery and equipment	21,728	22,853	20,720	20,540	21,438	21,336	23,064	
	3.5	22.4	-32.4	-3.4	18.7	-1.9		36.5
11. Exports of goods and services	203,954	196,476	199,136	210,448	209,882	212,970	217,431	
	9.4	-13.9	5.5	24.7	-1.1	6.0		8.6
12. DEDUCT: Imports of goods and services	186,724	180,460	174,949	179,889	180,554	180,477	184,400	
	18.1	-12.8	-11.7	11.8	1.5	-0.2		9.0
13. Value of physical change in inventories:	4,148	4,307	2,846	1,904	8	-2,545		-23
14. Non-farm	4,264	4,265	2,784	1,980	-105	-2,741		-240
15. Farm and grain in commercial channels	-116	42	62	-76	113	196		217
16. Statistical Discrepancy	497	511	330	140	-291	-328		-220
17. Gross Domestic Product at market prices	308,955	309,290	315,444	319,588	319,022	322,106	328,005	
	2.7	0.4	8.2	5.4	-0.7	3.9		7.5
18. Gross Domestic Product in constant (1986) dollars	243,444	241,860	246,461	249,319	248,380	249,497	251,853	
	-0.3	-2.6	7.8	4.7	-1.5	1.8		3.8

Note: Percentage change from previous quarter is given at annual rate on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT AT 1986 PRICES**  
(\$ millions, seasonally adjusted at annual rates)

TABLE 3

	1995				1996			
	I	II	III	IV	I	II	III	IV
	138,757	138,488	139,690	138,857	140,223	140,292	140,461	
1. Personal expenditure on consumer goods and services	0.3	-0.8	3.5	-2.4	4.0	0.2	0.5	
2. Goods	68,174	67,453	67,942	66,747	67,190	66,980	66,821	
	0.3	-4.2	2.9	-6.9	2.7	-1.2	-1.0	
3. Services	70,583	71,035	71,748	72,110	73,033	73,312	73,640	
	0.2	2.6	4.1	2.0	5.2	1.5	1.8	
4. Government expenditure on goods and services:	49,966	49,852	49,454	49,539	48,696	48,966	48,352	
	0.9	-0.9	-3.2	0.7	-6.6	2.2	-4.9	
5. Current expenditure	43,121	43,234	42,771	42,775	41,973	42,490	42,013	
	2.9	1.1	-4.2	0.0	-7.3	5.0	-4.4	
6. Capital expenditure	6,845	6,618	6,683	6,764	6,723	6,476	6,339	
	-10.2	-12.6	4.0	4.9	-2.4	-13.9	-8.2	
7. Business gross fixed capital formation:	42,193	43,248	41,632	42,261	44,124	45,049	47,934	
	-2.4	10.4	-14.1	6.2	18.8	8.7	28.2	
8. Residential construction	10,190	9,815	9,732	9,615	10,242	10,827	11,154	
	-23.8	-13.9	-3.4	-4.7	28.8	24.8	12.7	
9. Non-residential construction	4,673	4,687	4,780	4,964	5,067	5,154	5,229	
	11.7	1.1	8.2	16.4	8.5	7.0	6.0	
10. Machinery and equipment	27,330	28,746	27,120	27,682	28,815	29,068	31,551	
	5.1	22.4	-20.8	8.5	17.4	3.6	38.8	
11. Exports of goods and services	182,591	175,830	179,726	189,764	187,562	190,833	192,247	
	1.4	-14.0	9.2	24.3	-4.6	7.2	3.0	
12. DEDUCT: Imports of goods and services	173,858	168,970	166,096	172,143	171,792	172,375	176,291	
	7.9	-10.8	-6.6	15.4	-0.8	1.4	9.4	
13. Value of physical change in inventories:	3,957	3,532	2,193	1,227	-181	-3,087	-563	
14. Non-farm	3,934	3,401	2,161	1,449	-202	-3,202	-676	
15. Farm and grain in commercial channels	23	131	32	-223	21	115	113	
16. Statistical Discrepancy	-162	-120	-138	-186	-252	-181	-287	
17. Gross Domestic Product	243,444	241,860	246,461	249,319	248,380	249,497	251,853	
	-0.3	-2.6	7.8	4.7	-1.5	1.8	3.8	
18. Final Domestic Demand	230,917	231,588	230,776	230,658	233,044	234,307	236,747	
	-0.1	1.2	-1.4	-0.2	4.2	2.2	4.2	

Note: Percentage change from previous quarter is given at annual rate on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**SOURCES AND DISPOSITION OF ONTARIO PERSONAL INCOME**

(\$ millions, seasonally adjusted at annual rates)

TABLE 4

	1995				1996			
	I	II	III	IV	I	II	III	IV
	170,545	169,724	172,531	174,755	174,805	175,777	177,128	
1. Wages, salaries, and supplementary labour income	2.0	-1.9	6.8	5.3	0.1	2.2	3.1	
2. Add: Military pay and allowances	1,513	1,490	1,354	1,311	1,215	1,229	1,240	
	-13.5	-5.9	-31.8	-12.1	-26.2	4.6	3.6	
3. Net income of farm operators from farm production	242	348	388	457	641	983	1,033	
	-4.8	327.6	54.5	92.5	287.1	453.1	22.0	
4. Net income of non-farm unincorporated business including rent	16,930	17,057	17,228	17,426	17,512	17,691	17,781	
	3.5	3.0	4.0	4.7	2.0	4.2	2.1	
5. Interest, dividends, and miscellaneous investment income	34,521	35,342	35,653	35,614	35,003	34,754	34,806	
	9.9	9.9	3.6	-0.4	-6.7	-2.8	0.6	
6. Current transfers from government, corporations and non-residents	42,030	41,278	41,298	40,689	41,012	40,681	40,196	
	-0.5	-7.0	0.2	-5.8	3.2	-3.2	-4.7	
7. Equals: Personal income	265,781	265,239	268,451	270,252	270,188	271,115	272,184	
	2.6	-0.8	4.9	2.7	-0.1	1.4	1.6	
8. Deduct: Personal direct taxes	60,843	61,913	63,843	64,190	64,707	65,859	65,001	
	2.0	7.2	13.1	2.2	3.3	7.3	-5.1	
9. Other current transfers to government	1,283	1,071	938	812	840	849	837	
	-20.8	-51.4	-41.2	-43.8	14.5	4.4	-5.5	
10. Equals: Personal disposable income	203,655	202,255	203,670	205,250	204,641	204,407	206,346	
	2.9	-2.7	2.8	3.1	-1.2	-0.5	3.8	
11. Deduct: Personal expenditure on consumer goods and services	181,453	182,335	184,567	183,691	186,070	187,165	188,360	
	2.8	2.0	5.0	-1.9	5.3	2.4	2.6	
12. Current transfers to corporations	2,289	2,621	2,742	2,739	2,622	2,540	2,498	
	69.2	71.9	19.8	-0.4	-16.0	-11.9	-6.5	
13. Current transfers to non-residents	408	408	409	409	422	422	422	
	16.2	0.0	1.0	0.0	13.3	0.0	0.0	
14. Equals: Personal saving	19,505	16,891	15,952	18,411	15,527	14,280	15,066	
	-2.5	-43.8	-20.5	77.5	-49.4	-28.5	23.9	
15. Personal savings rate	9.6	8.4	7.8	9.0	7.6	7.0	7.3	

Note: Percentage change from previous quarter is given at annual rate on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO TRADE**

(\$ millions, seasonally adjusted at annual rates)

TABLE 5

	1995				1996			
	I	II	III	IV	I	II	III	IV
1. Exports of Goods and Services	203,954	196,476	199,136	210,448	209,882	212,970	217,431	
	9.4	-13.9	5.5	24.7	-1.1	6.0	8.6	
2. Of Which: International	141,750	135,608	137,604	148,144	147,895	150,645	154,311	
	16.7	-16.2	6.0	34.3	-0.7	7.6	10.1	
3. Goods	123,764	117,968	119,916	128,884	128,801	131,599	135,663	
	17.6	-17.4	6.7	33.4	-0.3	9.0	12.9	
4. Services	17,986	17,620	17,688	19,260	19,094	19,046	18,648	
	11.1	-7.9	1.6	40.6	-3.4	-1.0	-8.1	
5. Of Which: Interprovincial Goods and Services	62,204	60,868	61,532	62,304	61,987	62,325	63,120	
	-5.3	-8.3	4.4	5.1	-2.0	2.2	5.2	
6. Imports of Goods and Services	186,724	180,460	174,949	179,889	180,554	180,477	184,400	
	18.1	-12.8	-11.7	11.8	1.5	-0.2	9.0	
7. Trade Balance	17,230	16,016	24,187	30,559	29,328	32,493	33,031	

Note: Percentage change from previous quarter is given at annual rate on the second line.

Source: Office of Economic Policy, Ontario Ministry of Finance

**RELATIONSHIP BETWEEN ONTARIO GROSS DOMESTIC PRODUCT  
AND ONTARIO GROSS PROVINCIAL PRODUCT**  
(\$ millions, seasonally adjusted at annual rates)

TABLE 6

	1995				1996			
	I	II	III	IV	I	II	III	IV
1. Gross Domestic Product at market prices	308,955 2.7	309,290 0.4	315,444 8.2	319,588 5.4	319,022 -0.7	322,106 3.9	328,005 7.5	
2. Less: Investment income paid to non-residents	16,735 27.8	16,988 6.2	16,237 -16.6	16,269 0.8	17,101 22.1	16,668 -9.8	16,539 -3.1	
3. Plus: Investment income received from non-residents	8,208 12.1	8,281 3.6	8,190 -4.3	8,706 2.7	8,152 -23.1	8,487 17.5	7,891 -25.3	
4. Equals: Gross Provincial Product at market prices	300,427 1.7	300,583 0.2	307,397 9.4	312,024 6.2	310,073 -2.5	313,925 5.1	319,357 7.1	

Note: Percentage change from previous quarter is given at annual rate on the second line.

Source: Office of Economic Policy, Ontario Ministry of Finance

**ONTARIO DEFATORS**  
(1986 = 100)

TABLE 7

	1995				1996			
	I	II	III	IV	I	II	III	IV
1. Personal expenditure on consumer goods and services	130.8 2.6	131.7 2.8	132.1 1.4	132.3 0.5	132.7 1.2	133.4 2.2	134.1 2.1	
2. Goods	124.4 2.6	125.3 2.9	125.5 0.6	125.1 -1.1	125.3 0.5	126.2 2.9	126.5 1.0	
3. Services	136.9 2.5	137.7 2.3	138.4 2.0	138.9 1.5	139.5 1.7	140.0 1.4	141.0 2.9	
4. Government expenditure on goods and services:	128.6 0.6	128.6 0.0	128.2 -1.4	128.0 -0.4	127.8 -0.8	128.0 0.6	127.9 -0.2	
5. Current expenditure	133.4 0.6	133.4 0.0	133.2 -0.6	133.6 1.2	133.5 -0.3	133.4 -0.3	133.3 -0.3	
6. Capital expenditure	98.7 -3.6	97.5 -4.8	96.0 -6.0	92.9 -12.3	92.1 -3.4	92.4 1.3	92.2 -0.9	
7. Business gross fixed capital formation:	98.0 -4.7	97.1 -3.6	96.4 -2.9	94.3 -8.3	94.5 0.6	94.7 1.0	93.9 -3.3	
8. Residential construction	134.8 -4.3	135.0 0.6	137.3 7.0	135.6 -4.9	135.7 0.3	136.8 3.3	137.3 1.5	
9. Non-residential construction	125.9 1.9	125.7 -0.6	126.5 2.6	126.6 0.3	125.2 -4.4	126.3 3.6	126.8 1.6	
10. Machinery and equipment	79.5 -1.5	79.5 0.0	76.4 -14.7	74.2 -11.0	74.4 1.1	73.4 -5.3	73.1 -1.6	
11. Exports of goods and services	111.7 7.9	111.7 0.2	110.8 -3.3	110.9 0.4	111.9 3.7	111.6 -1.1	113.1 5.5	
12. DEDUCT: Imports of goods and services	107.4 9.5	106.8 -2.2	105.3 -5.4	104.5 -3.1	105.1 2.3	104.7 -1.5	104.6 -0.4	
13. Value of physical change in inventories:	104.7	121.9	129.8	155.2	-4.4	82.5	4.1	
14. Non-farm	108.4	125.4	128.8	136.6	52.0	85.6	35.5	
15. Farm and grain in commercial channels	-510.2	32.1	194.1	34.1	536.7	169.7	191.4	
16. Gross Domestic Product	126.9 3.0	127.9 3.1	128.0 0.3	128.2 0.6	128.4 0.8	129.1 2.1	130.2 3.6	
17. Final Domestic Demand	124.3 1.1	124.6 0.8	124.8 0.9	124.4 -1.3	124.4 0.0	124.8 1.3	124.7 -0.4	

**Note:** Percentage change from previous quarter is given at annual rate on the second line.

**Sources:** Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT, (INCOME BASED)**  
(\$ millions)

**TABLE 8**

	1991	1992	1993	1994	1995
1. Wages, salaries, and supplementary labour income	160,755 1.9	163,477 1.7	164,635 0.7	167,834 1.9	173,124 3.2
2. Military pay and allowances	1,339 4.8	1,415 5.7	1,393 -1.5	1,512 8.5	1,417 -6.3
3. Corporation profits before taxes	15,920 -19.4	15,961 0.3	18,931 18.6	24,967 31.9	28,678 14.9
4. Interest and miscellaneous investment income	15,806 -5.7	16,472 4.2	14,941 -9.3	16,303 9.1	16,478 1.1
5. Accrued net income of farm operators from farm production	273 -22.4	218 -20.1	323 48.2	246 -23.8	416 69.1
6. Net income of non-farm unincorporated business including rent	14,920 3.1	15,321 2.7	16,537 7.9	16,865 2.0	17,160 1.7
7. Inventory valuation adjustment	751	-948	-1,211	-2,608	-1,548
8. Net Domestic Income at factor cost	209,764 -0.3	211,916 1.0	215,549 1.7	225,119 4.4	235,725 4.7
9. Indirect taxes less subsidies	35,883 -2.0	37,643 4.9	38,633 2.6	40,529 4.9	41,113 1.4
10. Capital consumption allowances and miscellaneous valuation adjustments	32,816 7.4	33,244 1.3	34,387 3.4	35,434 3.0	36,481 3.0
11. Gross Domestic Product at market prices	278,463 0.3	282,803 1.6	288,569 2.0	301,082 4.3	313,319 4.1

Note: Percentage change from previous year is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT, (EXPENDITURE BASED)**  
 (\$ millions)

TABLE 9

	1991	1992	1993	1994	1995
1. Personal expenditure on consumer goods and services:	162,596	166,462	171,502	177,292	183,012
2.5	2.5	2.4	3.0	3.4	3.2
2. Goods	77,194	77,802	79,885	82,515	84,532
-0.4	-0.4	0.8	2.7	3.3	2.4
3. Services	85,402	88,660	91,617	94,777	98,480
5.3	5.3	3.8	3.3	3.4	3.9
4. Government expenditure on goods and services:	61,951	64,031	63,865	63,816	63,806
9.0	9.0	3.4	-0.3	-0.1	0.0
5. Current expenditure	55,795	57,971	58,623	57,772	57,329
9.5	9.5	3.9	1.1	-1.5	-0.8
6. Capital expenditure	6,156	6,060	5,242	6,044	6,477
4.6	4.6	-1.6	-13.5	15.3	7.2
7. Business gross fixed capital formation:	44,147	41,643	39,075	41,292	40,833
-9.8	-9.8	-5.7	-6.2	5.7	-1.1
8. Residential construction	15,687	15,781	14,668	15,299	13,346
-12.9	-12.9	0.6	-7.1	4.3	-12.8
9. Non-residential construction	11,347	9,257	7,459	6,123	6,026
-7.5	-7.5	-18.4	-19.4	-17.9	-1.6
10. Machinery and equipment	17,113	16,605	16,948	19,871	21,460
-8.2	-8.2	-3.0	2.1	17.2	8.0
11. Exports of goods and services	131,996	140,970	156,418	182,258	202,504
-4.5	-4.5	6.8	11.0	16.5	11.1
12. DEDUCT: Imports of goods and services	118,201	126,589	139,925	164,314	180,506
-2.7	-2.7	7.1	10.5	17.4	9.9
13. Value of physical change in inventories:	-2,315	-2,553	-1,061	1,449	3,301
14. Non-farm	-2,219	-2,255	-1,152	1,479	3,323
15. Farm and grain in commercial channels	-96	-298	91	-30	-22
16. Statistical Discrepancy	-1,711	-1,161	-1,305	-711	369
17. Gross Domestic Product at market prices	278,463	282,803	288,569	301,082	313,319
0.3	0.3	1.6	2.0	4.3	4.1
18. Gross Domestic Product in constant (1986) dollars	222,106	224,330	226,954	237,754	245,271
-3.2	-3.2	1.0	1.2	4.7	3.2

Note: Percentage change from previous year is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT AT 1986 PRICES**  
(\$ millions)

**TABLE 10**

	1991	1992	1993	1994	1995
1. Personal expenditure on consumer goods and services:	130,279	131,681	133,120	136,747	138,948
	-1.9	1.1	1.1	2.7	1.6
2. Goods	62,953	63,330	64,153	66,783	67,579
	-4.1	0.6	1.3	4.1	1.2
3. Services	67,326	68,351	68,967	69,964	71,369
	0.3	1.5	0.9	1.4	2.0
4. Government expenditure on goods and services:	50,215	50,856	50,170	49,811	49,703
	4.9	1.3	-1.3	-0.7	-0.2
5. Current expenditure	44,216	44,660	44,747	43,661	42,975
	4.2	1.0	0.2	-2.4	-1.6
6. Capital expenditure	5,999	6,196	5,423	6,150	6,728
	10.7	3.3	-12.5	13.4	9.4
7. Business gross fixed capital formation:	40,566	39,996	38,282	40,714	42,334
	-6.2	-1.4	-4.3	6.4	4.0
8. Residential construction	11,761	12,044	11,150	11,346	9,838
	-13.8	2.4	-7.4	1.8	-13.3
9. Non-residential construction	9,586	7,926	6,300	4,985	4,776
	-4.4	-17.3	-20.5	-20.9	-4.2
10. Machinery and equipment	19,219	20,026	20,832	24,383	27,720
	-1.8	4.2	4.0	17.0	13.7
11. Exports of goods and services	126,097	133,737	144,687	165,521	181,978
	-3.5	6.1	8.2	14.4	9.9
12. DEDUCT: Imports of goods and services	121,510	128,748	137,404	156,478	170,267
	-0.5	6.0	6.7	13.9	8.8
13. Value of physical change in inventories	-2,120	-2,233	-841	1,665	2,727
14. Non-farm	-2,036	-1,980	-841	1,581	2,736
15. Farm and grain in commercial channels	-84	-253	0	84	-9
16. Statistical Discrepancy	-1,421	-959	-1,060	-226	-152
17. Gross Domestic Product	222,106	224,330	226,954	237,754	245,271
	-3.2	1.0	1.2	4.7	3.2
18. Final Domestic Demand (1986) dollars	221,062	222,534	221,574	227,272	230,985
	-1.3	0.7	-0.4	2.6	1.6

Notes: Percentage change from previous year is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**SOURCES AND DISPOSITION OF ONTARIO PERSONAL INCOME**

(\$ millions)

TABLE 11

	1991	1992	1993	1994	1995
1. Wages, salaries, and supplementary labour income	158,253 2.0	160,778 1.6	161,893 0.7	166,119 2.6	171,889 3.5
2. Add: Military pay and allowances	1,339 4.8	1,415 5.7	1,394 -1.5	1,512 8.5	1,417 -6.3
3. Net income of farm operators from farm production	183 -41.9	257 40.4	467 81.7	219 -53.2	359 64.2
4. Net income of non-farm unincorporated business including rent	14,920 3.1	15,321 2.7	16,537 7.9	16,865 2.0	17,160 1.7
5. Interest, dividends, and miscellaneous investment income	35,532 -6.1	33,884 -4.6	32,021 -5.5	32,347 1.0	35,283 9.1
6. Current transfers from government, corporations and non-residents	35,536 18.6	39,273 10.5	40,905 4.2	41,442 1.3	41,324 -0.3
7. Equals: Personal income	245,763 2.8	250,928 2.1	253,217 0.9	258,503 2.1	267,431 3.5
8. Deduct: Personal direct taxes	56,118 1.4	56,770 1.2	57,002 0.4	58,895 3.3	62,697 6.5
9. Other current transfers to government	933 1.7	970 4.0	1,032 6.4	1,052 1.9	1,026 -2.4
10. Equals: Personal disposable income	188,712 3.3	193,188 2.4	195,183 1.0	198,556 1.7	203,708 2.6
11. Deduct: Personal expenditure on consumer goods and services	162,596 2.5	166,462 2.4	171,502 3.0	177,292 3.4	183,012 3.2
12. Current transfers to corporations	3,344 -13.9	2,468 -26.2	1,965 -20.4	1,857 -5.5	2,598 39.9
13. Current transfers to non-residents	288 5.1	352 22.2	369 4.8	389 5.4	409 5.0
14. Equals: Personal saving	22,484 12.4	23,906 6.3	21,347 -10.7	19,017 -10.9	17,690 -7.0
15. Personal savings rate	11.9	12.4	10.9	9.6	8.7

Note: Percentage change from previous year is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO TRADE**  
*(*\$ millions*)*

**TABLE 12**

	1991	1992	1993	1994	1995
<b>1. Exports of Goods and Services</b>	<b>131,996</b>	<b>140,970</b>	<b>156,418</b>	<b>182,258</b>	<b>202,504</b>
	-4.5	6.8	11.0	16.5	11.1
<b>2. Of Which: International</b>	<b>77,654</b>	<b>88,259</b>	<b>101,828</b>	<b>122,613</b>	<b>140,777</b>
	-1.6	13.7	15.4	20.4	14.8
<b>3. Goods</b>	<b>65,573</b>	<b>75,677</b>	<b>87,501</b>	<b>106,037</b>	<b>122,638</b>
	-2.9	15.4	15.6	21.2	15.7
<b>4. Services</b>	<b>12,081</b>	<b>12,582</b>	<b>14,327</b>	<b>16,576</b>	<b>18,139</b>
	6.4	4.1	13.9	15.7	9.4
<b>5. Of Which: Interprovincial Goods and Services</b>	<b>54,342</b>	<b>52,711</b>	<b>54,590</b>	<b>59,645</b>	<b>61,727</b>
	-8.3	-3.0	3.6	9.3	3.5
<b>6. Imports of Goods and Services</b>	<b>118,201</b>	<b>126,589</b>	<b>139,925</b>	<b>164,314</b>	<b>180,506</b>
	-2.7	7.1	10.5	17.4	9.9
<b>7. Trade Balance</b>	<b>13,796</b>	<b>14,381</b>	<b>16,493</b>	<b>17,944</b>	<b>21,998</b>

Note: Percentage change from previous year is given on the second line.

Source: Office of Economic Policy, Ontario Ministry of Finance

**RELATIONSHIP BETWEEN ONTARIO GROSS DOMESTIC PRODUCT  
AND ONTARIO GROSS PROVINCIAL PRODUCT**

*(\$ millions)*

**TABLE 13**

	1991	1992	1993	1994	1995
<b>1. Gross Domestic Product at market prices</b>	<b>278,463</b> 0.3	<b>282,802</b> 1.6	<b>288,569</b> 2.0	<b>301,082</b> 4.3	<b>313,319</b> 4.1
<b>2. Less: Investment income paid to non-residents</b>	<b>13,361</b> -5.4	<b>13,733</b> 2.8	<b>14,088</b> 2.6	<b>15,578</b> 10.6	<b>16,558</b> 6.3
<b>3. Plus: Investment income received from non-residents</b>	<b>6,458</b> -3.2	<b>5,930</b> -8.2	<b>6,491</b> 9.5	<b>7,019</b> 8.1	<b>8,346</b> 18.9
<b>4. Equals: Gross Provincial Product at market prices</b>	<b>271,559</b> 0.6	<b>274,999</b> 1.3	<b>280,972</b> 2.2	<b>292,523</b> 4.1	<b>305,108</b> 4.3

**Note:** Percentage change from previous year is given on the second line.

**Sources:** Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO DEFLATATORS**

(1986 = 100)

**TABLE 14**

	1991	1992	1993	1994	1995
<b>1. Personal expenditure on consumer goods and services:</b>	<b>124.8</b>	<b>126.4</b>	<b>128.8</b>	<b>129.6</b>	<b>131.7</b>
	4.5	1.3	1.9	0.6	1.6
<b>2. Goods</b>	<b>122.6</b>	<b>122.9</b>	<b>124.5</b>	<b>123.6</b>	<b>125.1</b>
	3.8	0.2	1.4	-0.8	1.2
<b>3. Services</b>	<b>126.8</b>	<b>129.7</b>	<b>132.8</b>	<b>135.5</b>	<b>138.0</b>
	5.0	2.3	2.4	2.0	1.9
<b>4. Government expenditure on goods and services:</b>	<b>123.4</b>	<b>125.9</b>	<b>127.3</b>	<b>128.1</b>	<b>128.4</b>
	3.9	2.1	1.1	0.6	0.2
<b>5. Current expenditure</b>	<b>126.2</b>	<b>129.8</b>	<b>131.0</b>	<b>132.3</b>	<b>133.4</b>
	5.1	2.9	0.9	1.0	0.8
<b>6. Capital expenditure</b>	<b>102.7</b>	<b>97.8</b>	<b>96.7</b>	<b>98.2</b>	<b>96.3</b>
	-5.5	-4.7	-1.2	1.6	-1.9
<b>7. Business gross fixed capital formation:</b>	<b>108.8</b>	<b>104.1</b>	<b>102.1</b>	<b>101.5</b>	<b>96.5</b>
	-3.7	-4.3	-2.0	-0.6	-4.9
<b>8. Residential construction</b>	<b>133.4</b>	<b>131.0</b>	<b>131.5</b>	<b>134.9</b>	<b>135.7</b>
	1.2	-1.8	0.4	2.5	0.6
<b>9. Non-residential construction</b>	<b>118.4</b>	<b>116.8</b>	<b>118.4</b>	<b>123.0</b>	<b>126.2</b>
	-3.3	-1.3	1.4	3.8	2.6
<b>10. Machinery and equipment</b>	<b>89.0</b>	<b>83.0</b>	<b>81.4</b>	<b>81.6</b>	<b>77.4</b>
	-6.5	-6.8	-2.0	0.3	-5.1
<b>11. Exports of goods and services</b>	<b>104.7</b>	<b>105.4</b>	<b>108.1</b>	<b>110.1</b>	<b>111.3</b>
	-1.0	0.6	2.6	1.9	1.1
<b>12. DEDUCT: Imports of goods and services</b>	<b>97.4</b>	<b>98.3</b>	<b>101.8</b>	<b>105.0</b>	<b>106.0</b>
	-2.1	0.9	3.6	3.1	1.0
<b>13. Value of physical change in inventories</b>	<b>109.2</b>	<b>114.3</b>	<b>126.1</b>	<b>87.1</b>	<b>121.1</b>
<b>14. Non-farm</b>	<b>109.0</b>	<b>113.9</b>	<b>137.0</b>	<b>93.5</b>	<b>121.4</b>
<b>15. Farm and grain in commercial channels</b>	<b>101.4</b>	<b>117.8</b>	na	-35.9	235.6
<b>16. Gross Domestic Product</b>	<b>125.4</b>	<b>126.1</b>	<b>127.1</b>	<b>126.6</b>	<b>127.7</b>
	3.6	0.6	0.8	-0.4	0.9
<b>17. Final Domestic Demand</b>	<b>121.5</b>	<b>122.3</b>	<b>123.9</b>	<b>124.3</b>	<b>124.5</b>
	2.9	0.7	1.2	0.3	0.2

Note: Percentage change from previous quarter is given at annual rate on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO PRODUCTION BY INDUSTRY, 1986\$**  
(\$millions, seasonally adjusted at annual rates)

TABLE 15

	1995				1996			
	I	II	III	IV	I	II	III	IV
1. Primary	5,383 -18.5	5,345 -2.8	5,495 11.7	5,483 -0.8	5,634 11.4	5,589 -3.1	5,708 8.8	
2. Manufacturing	55,270 6.1	53,377 -13.0	54,016 4.9	54,356 2.5	54,100 -1.9	54,725 4.7	55,270 4.0	
3. Construction	9,198 -22.9	8,657 -21.5	8,657 0.0	8,612 -2.1	8,628 0.7	8,738 5.2	8,886 6.9	
4. Utilities	5,178 9.7	5,368 15.5	5,610 19.3	5,482 -8.8	5,455 -2.0	5,387 -4.9	5,352 -2.6	
5. Goods Producing Industries	75,029 0.1	72,747 -11.6	73,777 5.8	73,934 0.9	73,816 -0.6	74,439 3.4	75,216 4.2	
6. Transportation, Storage and Communication	15,445 4.9	15,476 0.8	15,756 7.4	15,919 4.2	16,017 2.5	16,231 5.5	16,640 10.5	
7. Trade	27,464 -1.0	27,274 -2.7	27,543 4.0	27,216 -4.7	27,523 4.6	27,568 0.7	28,258 10.4	
8. Finance, Insurance and Real Estate	32,443 -0.4	32,852 5.1	33,247 4.9	33,405 1.9	33,975 7.0	34,396 5.1	34,514 1.4	
9. Community, Business and Personal Services	48,729 2.4	49,080 2.9	49,406 2.7	49,733 2.7	49,471 -2.1	49,351 -1.0	49,289 -0.5	
10. Government Services	12,188 -1.2	12,146 -1.4	12,107 -1.3	11,973 -4.3	11,195 -23.6	11,544 13.1	11,398 -5.0	
11. Services Producing Industries	136,269 1.0	136,827 1.6	138,060 3.7	138,247 0.5	138,180 -0.2	139,090 2.7	140,099 2.9	
12. Miscellaneous Industries	1,046	1,298	2,182	3,254	2,646	2,355	2,502	
13. Total Production (1986\$) at Factor Cost	212,344 -0.3	210,873 -2.7	214,019 6.1	215,435 2.7	214,643 -1.5	215,884 2.3	217,741 3.5	
14. Indirect Taxes Less Subsidies plus Miscellaneous Adjustments	31,100	30,987	32,442	33,885	33,738	33,613	34,112	
15. Gross Domestic Product (1986\$) at Market Prices	243,444 -0.3	241,860 -2.6	246,461 7.8	249,319 4.7	248,380 -1.5	249,497 1.8	251,853 3.8	

**ONTARIO PRODUCTION BY INDUSTRY, 1986\$**  
(\$millions)

**TABLE 16**

	1990	1991	1992	1993	1994	1995
<b>1. Primary</b>	<b>5,444</b>	<b>5,064</b>	<b>5,012</b>	<b>5,111</b>	<b>5,286</b>	<b>5,426</b>
	-7.1	-7.0	-1.0	2.0	3.4	2.7
<b>2. Manufacturing</b>	<b>47,731</b>	<b>43,901</b>	<b>44,815</b>	<b>46,929</b>	<b>51,099</b>	<b>54,255</b>
	-6.7	-8.0	2.1	4.7	8.9	6.2
<b>3. Construction</b>	<b>12,005</b>	<b>11,035</b>	<b>10,273</b>	<b>9,123</b>	<b>9,223</b>	<b>8,781</b>
	-6.0	-8.1	-6.9	-11.2	1.1	-4.8
<b>4. Utilities</b>	<b>4,673</b>	<b>5,303</b>	<b>5,131</b>	<b>5,239</b>	<b>5,447</b>	<b>5,410</b>
	-10.8	13.5	-3.2	2.1	4.0	-0.7
<b>5. Goods Producing Industries</b>	<b>69,853</b>	<b>65,303</b>	<b>65,230</b>	<b>66,402</b>	<b>71,055</b>	<b>73,872</b>
	-6.9	-6.5	-0.1	1.8	7.0	4.0
<b>6. Transportation, Storage and Communication</b>	<b>14,427</b>	<b>13,943</b>	<b>14,097</b>	<b>14,218</b>	<b>14,944</b>	<b>15,649</b>
	2.6	-3.4	1.1	0.9	5.1	4.7
<b>7. Trade</b>	<b>24,328</b>	<b>23,282</b>	<b>23,573</b>	<b>24,452</b>	<b>26,463</b>	<b>27,374</b>
	-1.3	-4.3	1.3	3.7	8.2	3.4
<b>8. Finance, Insurance and Real Estate</b>	<b>30,878</b>	<b>31,545</b>	<b>31,386</b>	<b>32,078</b>	<b>32,559</b>	<b>32,987</b>
	-0.1	2.2	-0.5	2.2	1.5	1.3
<b>9. Community, Business and Personal Services</b>	<b>47,249</b>	<b>46,808</b>	<b>46,938</b>	<b>47,360</b>	<b>48,030</b>	<b>49,237</b>
	-0.9	-0.9	0.3	0.9	1.4	2.5
<b>10. Government Services</b>	<b>11,970</b>	<b>12,254</b>	<b>12,437</b>	<b>12,392</b>	<b>12,285</b>	<b>12,104</b>
	1.8	2.4	1.5	-0.4	-0.9	-1.5
<b>11. Services Producing Industries</b>	<b>128,853</b>	<b>127,831</b>	<b>128,431</b>	<b>130,499</b>	<b>134,280</b>	<b>137,351</b>
	-0.2	-0.8	0.5	1.6	2.9	2.3
<b>12. Miscellaneous Industries</b>	<b>1,368</b>	<b>1,353</b>	<b>1,327</b>	<b>1,240</b>	<b>1,346</b>	<b>1,945</b>
<b>13. Total Production (86\$) at Factor Cost</b>	<b>200,073</b>	<b>194,487</b>	<b>194,987</b>	<b>198,142</b>	<b>206,681</b>	<b>213,168</b>
	-2.6	-2.8	0.3	1.6	4.3	3.1
<b>14. Indirect Taxes Less Subsidies plus Miscellaneous Adjustments</b>	<b>29,317</b>	<b>27,619</b>	<b>29,343</b>	<b>28,813</b>	<b>31,072</b>	<b>32,103</b>
<b>15. Gross Domestic Product (1986\$) at Market Prices</b>	<b>229,390</b>	<b>222,106</b>	<b>224,330</b>	<b>226,954</b>	<b>237,754</b>	<b>245,271</b>
	-2.4	-3.2	1.0	1.2	4.8	3.2

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada



# Ontario Economic Accounts

Fourth Quarter of 1996

May 1997

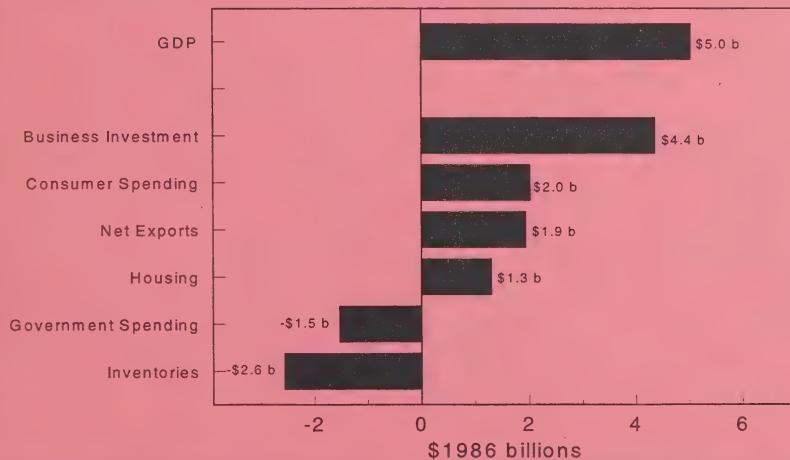
## Ontario Economy Expands in 1996:4

The Ontario economy recorded solid growth in the fourth quarter of 1996 (October-December), with real GDP at *market prices* rising by 3.0% at annual rates. This followed a revised gain of 3.6% in the third quarter. The rise in economic activity in the fourth quarter was led by much stronger domestic demand. Weakening exports, due in large part to an auto strike, held back the gain in overall economic output.

On an industry basis, growth in the fourth quarter was concentrated in finance, insurance and real estate, utilities, wholesale and retail trade, and community, business and personal services.

For the year 1996 as a whole, Ontario real GDP rose by \$5.0 billion (1986\$), or 2.0%, following a 3.2% advance in 1995. Strong gains in business investment and housing, higher exports and a rise in consumer spending all contributed to the increase in real GDP. Nominal GDP increased by 3.3% in 1996, after advancing by 4.1% in the previous year.

### Sources of Ontario Real GDP Growth, 1996



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The **GDP price deflator** rose 2.9% at annual rates in 1996:4, following an increase of 2.0% in the previous quarter. Most of the rise in the deflator was in housing and consumer goods. A rise in the terms of trade also contributed to the higher deflator. The highlights of 1996:4 are presented in Table 1.

**Ontario Economic Accounts Summary, 1996:1 - 1996:4** Table 1  
(1986\$, Seasonally Adjusted Annual Rates)

	1996:1	1996:2	1996:3	1996:4	1996
<b>Highlights (\$1986 Billions)</b>					
Gross Domestic Product	248.0 <i>-2.0</i>	249.0 <i>1.5</i>	251.2 <i>3.6</i>	253.0 <i>3.0</i>	250.3 <i>2.0</i>
Gross Domestic Product (Current \$)	318.9 <i>-0.9</i>	320.7 <i>2.2</i>	325.1 <i>5.7</i>	329.9 <i>6.0</i>	323.6 <i>3.3</i>
GDP Deflator (1986=100)	128.6 <i>1.2</i>	128.8 <i>0.8</i>	129.4 <i>2.0</i>	130.4 <i>2.9</i>	129.3 <i>1.2</i>
Final Domestic Demand <sup>1</sup>	233.4 <i>4.9</i>	235.0 <i>2.7</i>	237.6 <i>4.6</i>	242.5 <i>8.4</i>	237.1 <i>2.7</i>
Final Demand <sup>2</sup>	248.5 <i>0.3</i>	251.8 <i>5.5</i>	251.8 <i>-0.1</i>	251.0 <i>-1.3</i>	250.8 <i>3.3</i>
<b>Composition of Growth<sup>3</sup></b>					
(\$ Millions)					
Total GDP	-1,273	904	2,215	1,863	5,027
Consumer Spending	1,406	138	424	1,558	2,020
Business Machinery and Equipment	1,843	349	2,655	2,349	3,982
Non-Residential Construction	62	74	62	131	370
Residential Construction	403	900	497	789	1,302
Government Spending	-957	124	-1,003	9	-1,527
Net Exports	-2,543	1,756	-2,670	-5,636	1,941
Inventories	-1,133	-2,355	2,399	2,582	-2,555

Source: Ontario Ministry of Finance and Statistics Canada

Note: Per cent change from previous period at annual rates, is given in italics

1. Combined sum of consumer spending, government spending and business investment excluding inventory investment.

2. Final domestic demand plus net exports.

3. Does not sum to GDP growth, as the "statistics discrepancy" is not shown.

## Income and Expenditure Details

**Real consumer spending** rose by 4.5% at annual rates, up from a 1.2% gain in the third quarter. A pick up in personal disposable income helped lift consumer spending on goods by 5.1% at annual rates, after two flat quarters. Consumers raised spending particularly on autos. Expenditures on services rose 4.0%, with the gain concentrated in financial services and natural gas.

- **Personal income** rose 3.8% at annual rates in 1996:4, after a 0.8% increase in the third quarter. Ontario wages, salaries and supplementary labour income, the largest component of personal income, rose 7.6% at annual rates. Lower investment income moderated the gain in personal income.
- **Personal disposable income** rose by 4.1% at annual rates in the fourth quarter, following a 1.6% rise in the third quarter. Disposable income grew at a faster rate than personal income in the second half of 1996. Ontario's personal income tax cut introduced in July contributed to the second half increase in personal disposable income. With the gain in income trailing the rise in nominal consumer spending, the Ontario **savings rate** declined from 6.6% in 1996:3 to 6.2% in 1996:4.

**The Consumer Sector, 1996:1 - 1996:4**  
(1986 \$ Millions, Seasonally Adjusted Annual Rates)

**Table 2**

	1996:1	1996:2	1996:3	1996:4	1996
Consumer Spending	140,263 4.1	140,401 0.4	140,825 1.2	142,383 4.5	140,968 1.5
- Goods	67,292 3.3	67,234 -0.3	67,300 0.4	68,136 5.1	67,490 -0.1
- Services	72,971 4.9	73,167 1.1	73,525 2.0	74,247 4.0	73,478 3.0
Personal Income (Current \$)	270,010 -0.4	270,745 1.1	271,295 0.8	273,864 3.8	271,479 1.5
Personal Disposable Income (Current \$)	204,328 -1.8	203,764 -1.1	204,584 1.6	206,642 4.1	204,830 0.6
Personal Savings Rate (%)	7.6	6.8	6.6	6.2	6.8

Source: Ontario Ministry of Finance and Statistics Canada

Note: Per cent change from previous quarter, at annual rates, is given in italics

- **Residential construction** continued its strong showing in 1996:4, rising by 30.6% at annualized rates, the fourth straight double-digit gain. For the year 1996 as a whole, real residential construction activity rose 13.2%. New construction, resale activity and renovation and repair spending all rose in the fourth quarter.
  - For the year 1996 as a whole, Ontario all-area housing starts rose 20.2% and resale activity increased by 31.3%. The resurgent housing market in 1996 reflects improved consumer confidence and the most affordable housing in over a decade.
- **Real business investment** in plant and equipment rose by 29.0%, after rising 34.9% in the previous quarter. Outlays on machinery and equipment jumped 32.2%, as firms increased outlays on computers and transportation equipment. Non-residential construction was up 10.5% in the fourth quarter and for the year 1996 recorded its first annual gain of the 1990s.
- **Real inventories** increased by \$2.7 billion in the fourth quarter, following a slight \$0.1 billion addition in the previous quarter. Stock building occurred in the manufacturing, wholesale and retail trade sectors.
- **Corporation profits** before taxes increased by 11.1% at annual rates in 1996:4, after jumping by 40.6% in 1996:3. Higher profits in iron and steel, machinery and equipment, transportation, printing and publishing, business services, banks and insurers more than offset lower net income in food, chemicals, autos and electronic equipment.

**The Business Sector, 1996:1 - 1996:4**  
(1986 \$ Millions, Seasonally Adjusted Annual Rates)

**Table 3**

	1996:1	1996:2	1996:3	1996:4	1996
Residential Construction	10,018 17.9	10,919 41.1	11,416 19.5	12,205 30.6	11,140 13.2
Business Plant and Equipment	34,552 25.5	34,975 5.0	37,692 34.9	40,171 29.0	36,847 13.4
- Non-Residential Construction	5,027 5.1	5,101 6.0	5,163 4.9	5,293 10.5	5,146 7.7
- Machinery and Equipment	29,525 29.4	29,874 4.8	32,529 40.6	34,877 32.2	31,701 14.4
Business and Farm Inventory Accumulation	93	-2,261	137	2,720	172
Pre-Tax Corporate Profits (Current \$)	28,784 -28.2	29,380 8.5	31,993 40.6	32,842 11.1	30,750 7.2

Source: Ontario Ministry of Finance and Statistics Canada

Note: Per cent change from previous quarter, at annual rates, is given in italics

**R**eal Ontario exports declined 13.9% at annual rates in the fourth quarter, almost entirely due to the impact of the strike at General Motors early in the quarter. At the national level, total real auto exports (cars, trucks and parts) fell 14.9% (quarterly rates) in 1996:4. Over ninety-five per cent of Canadian auto production occurs in Ontario.

Real imports fell by 3.0% at annual rates, as the auto strike lowered imports in the auto sector. With exports falling faster than imports, the real trade balance narrowed from \$14.2 billion in the third quarter to a still healthy \$8.5 billion in 1996:4. For the whole year, the trade balance reached \$13.7 billion, the highest surplus in a decade.

- Exports of food and industrial machinery rose in the fourth quarter. Exports of autos (cars, trucks and parts), chemicals, iron and steel, and office machines and equipment all declined.
- Higher imports were recorded in clothing, metals and machinery and equipment, while imports of autos, auto parts, trucks, food and chemicals declined.

**The External Sector, 1996:1 - 1996:4**  
(1986 \$ Millions, Seasonally Adjusted Annual Rates)

**Table 4**

	1996:1	1996:2	1996:3	1996:4	1996
Total Exports	188,210 <i>-3.2</i>	191,183 <i>6.5</i>	190,526 <i>-1.4</i>	183,555 <i>-13.9</i>	188,368 <i>3.5</i>
Total Imports	173,131 <i>2.3</i>	174,348 <i>2.8</i>	176,362 <i>4.7</i>	175,027 <i>-3.0</i>	174,717 <i>2.6</i>
Balance of Trade	15,079	16,835	14,165	8,529	13,652

Source: Ontario Ministry of Finance and Statistics Canada

Note: Per cent change from previous quarter, at annual rates, is given in italics

Total real **government spending** in Ontario by all levels of government (federal, provincial and local) rose by a marginal 0.1% at annual rates in 1996:4, after falling by 8.0% in 1996:3.

- Government **current spending** on goods and services declined by 0.1% at annual rates in 1996:4, after a 7.4% reduction in the third quarter.
- Real government **capital investment** rose by 1.5% at annual rates in the fourth quarter, following an 11.4% drop in 1996:3.

**The Government Sector, 1996:1 - 1996:4**

(1986 \$ Millions, Seasonally Adjusted Annual Rates)

**Table 5**

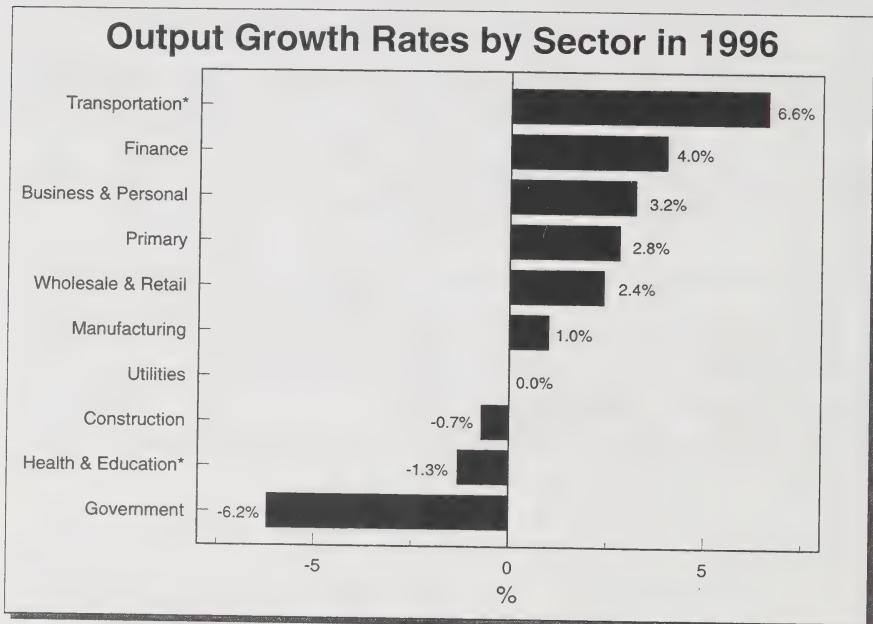
	1996:1	1996:2	1996:3	1996:4	1996
Total Government Expenditure*	48,582 -7.5	48,706 1.0	47,703 -8.0	47,712 0.1	48,176 -3.1
- Current Expenditure	41,775 -9.0	42,122 3.4	41,315 -7.4	41,301 -0.1	41,628 -3.1
- Capital Expenditure	6,807 2.5	6,584 -12.5	6,388 -11.4	6,411 1.5	6,548 -2.7

Source: Ontario Ministry of Finance and Statistics Canada

Note: Per cent change from previous quarter, at annual rates, is given in italics

## Industry Details

Ontario production at *factor cost* rose 3.0% at annual rates in the fourth quarter, the same rate of increase measured at market prices. The rise in production was concentrated in finance, insurance and real estate, wholesale and retail trade, utilities and community, business and personal services.



\* Transportation includes storage and communications. Health and education includes other social services.

**Manufacturing** output declined in the fourth quarter, down 2.3% at annual rates, following a 5.6% increase in the third quarter. The drop in production was due in large part to the strike at General Motors which reduced auto output, as well as a significant decline in electronic and electrical products production.

- In the **auto sector**, which consists of cars, trucks and parts, the strike at GM contributed to a 7.2% (quarterly rate) drop in production in 1996:4, following strong advances in the previous two quarters.

Output in the **utilities** industry rebounded by 10.8% at annual rates in 1996:4, after falling four consecutive quarters. Electrical generation, which represents 80% of the

utility industry, rose at an annual rate of 15.0%, reflecting the end of the shutdown of some nuclear generating units at Pickering in the October-December period.

**The Goods Sector, 1996:1 - 1996:4**  
(1986 \$ Millions, Seasonally Adjusted Annual Rates)

Table 6

	1996:1	1996:2	1996:3	1996:4	1996
Primary Industries	5,595 8.4	5,524 -5.0	5,568 3.2	5,627 4.3	5,578 2.8
Manufacturing	54,212 -1.1	54,630 3.1	55,376 5.6	55,058 -2.3	54,819 1.0
Construction	8,446 -7.5	8,693 12.2	8,975 13.6	8,759 -9.3	8,718 -0.7
Utilities	5,427 -4.0	5,362 -4.7	5,352 -0.7	5,491 10.8	5,408 0.0
Total Goods Sector	73,680 -1.4	74,208 2.9	75,270 5.8	74,935 -1.8	74,523 0.9

Source: Ontario Ministry of Finance and Statistics Canada

Note: Per cent change from previous quarter, at annual rates, is given in italics

Activity in the **construction** industry (which comprises residential and non-residential building) declined 9.3% at annual rates in 1996:4, after a strong 13.6% gain in the previous quarter.

In the service sector, output in the **transportation, storage and communication** industries moderated, rising 1.5% in the fourth quarter, after a strong 13.1% gain in 1996:3. This marked the ninth straight quarterly increase. The rise in 1996:4 was concentrated in the communication sector.

**Financial** activity accelerated, rising 11.8% at annual rates in the fourth quarter, the strongest quarterly advance since early 1988.

- Much of the gain in financial services in 1996 reflected a 40.9% rise in the trading volume of the Toronto Stock Exchange, led by sustained mutual fund investment. In addition, the strong housing market in Ontario boosted real estate activity, which constitutes about one-third of the finance, insurance and real estate sector.

**Wholesale and retail trade** activity registered a 6.5% gain at annual rates in the fourth quarter, following a 9.4% surge in 1996:3. Both wholesale and retail expanded.

- At the wholesale level, activity rose by a strong 9.2% at annual rates in 1996:4, following a 15.9% jump in 1996:3. This strong performance is reflected in higher

sales of stores specializing in computers and accessories in Canada, which increased nearly 17% in 1996.

**The Service Sector, 1996:1 - 1996:4**  
(1986 \$ Millions, Seasonally Adjusted Annual Rates)

Table 7

	1996:1	1996:2	1996:3	1996:4	1996
Transportation, Storage and Communication	16,028 2.7	16,535 13.3	17,052 13.1	17,117 1.5	16,683 6.6
Wholesale and Retail Trade	27,488 4.1	27,653 2.4	28,282 9.4	28,728 6.5	28,038 2.4
Finance, Insurance and Real Estate	33,766 4.4	34,103 4.0	34,207 1.2	35,171 11.8	34,312 4.0
Community, Business and Personal Services	49,753 0.2	49,422 -2.6	49,597 1.4	50,123 4.3	49,724 1.0
Government	11,199 -23.5	11,521 12.0	11,366 -5.3	11,349 -0.6	11,359 -6.2
Total Service Sector	138,234 0.0	139,233 2.9	140,504 3.7	142,488 5.8	140,115 2.0

Source: Ontario Ministry of Finance and Statistics Canada

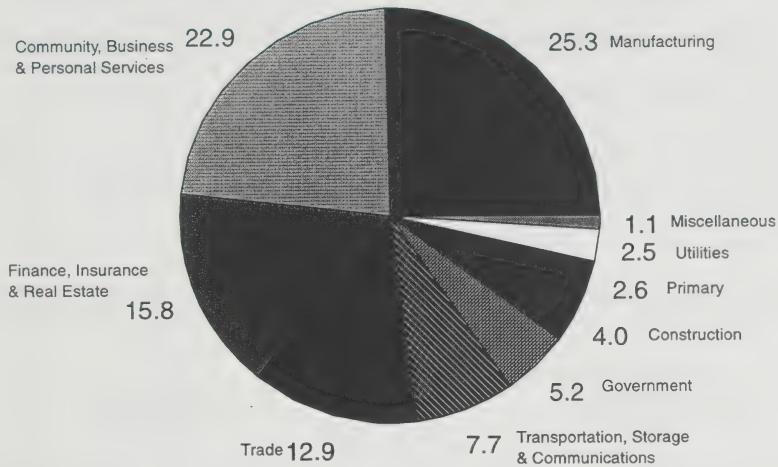
Note: Per cent change from previous quarter, at annual rates, is given in italics

In the **community, business and personal services** sector, output increased by 4.3% at annual rates in 1996:4, after a 1.4% advance in the previous quarter. Higher activity in 1996:4 was recorded in business services, accommodation and amusement services, health and personal services.

Total **government** activity (federal, provincial, local) continued its downward trend, declining 0.6% at annual rates in 1996:4, after a 5.3% drop in the third quarter.

# Industrial Structure of Ontario Economy, 1996

% share



11  
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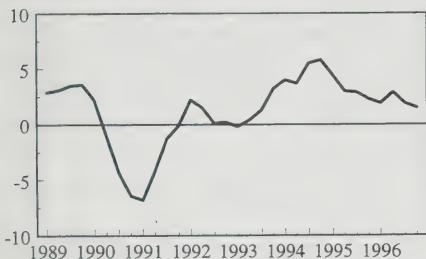
# Ontario Economic Accounts Summary

## (1989:1 - 1996:4)

**Gross Domestic Product**

(1986 \$)

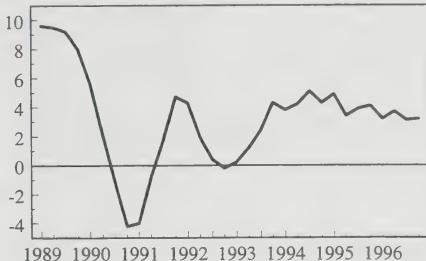
% change, year-over-year



**Gross Domestic Product**

(Current \$)

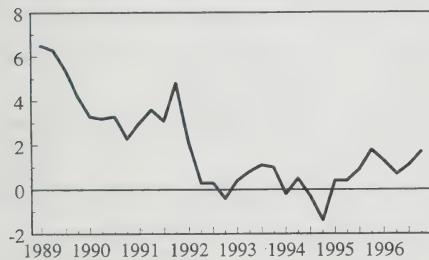
% change, year-over-year



**GDP Deflator**

(1986 = 100)

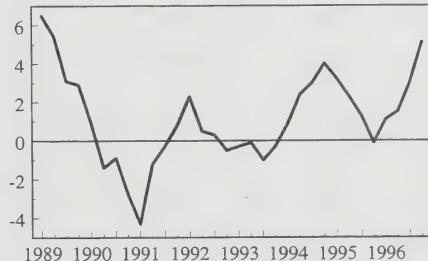
% change, year-over-year



**Final Domestic Demand**

(1986 \$)

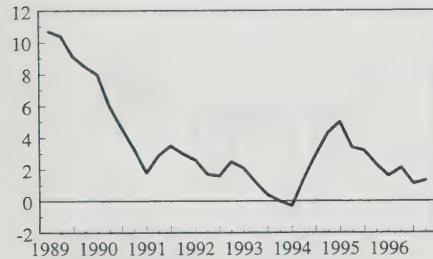
% change, year-over-year



**Personal Income**

(Current \$)

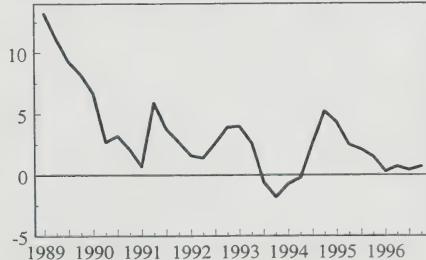
% change, year-over-year



**Personal Disposable Income**

(Current \$)

% change, year-over-year



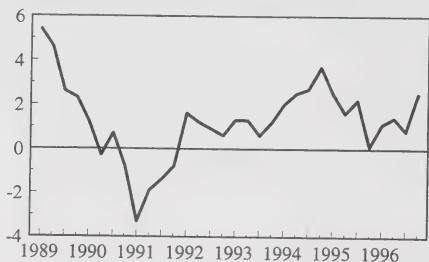
# Ontario Economic Accounts Summary

(1989:1 - 1996:4)

## Consumer Spending

(1986 \$)

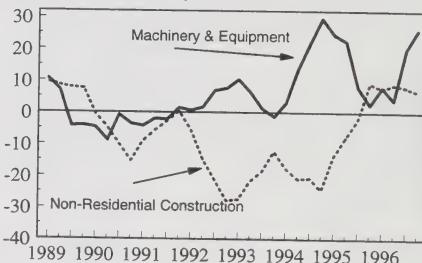
% change, year-over-year



## Business Plant & Equipment

(1986 \$)

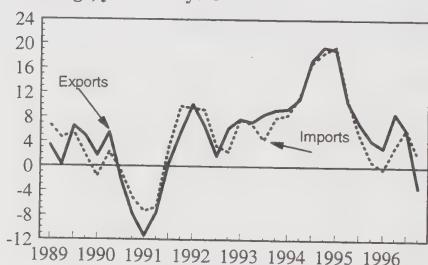
% change, year-over-year



## Trade

(1986 \$)

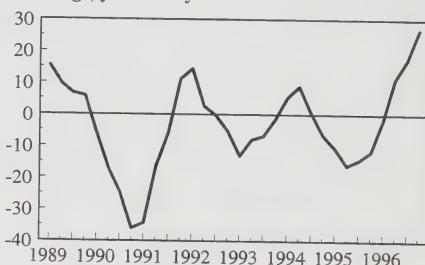
% change, year-over-year



## Residential Construction

(1986 \$)

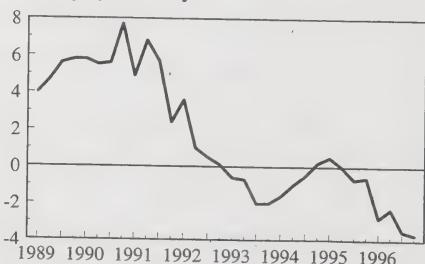
% change, year-over-year



## Government Spending

(1986 \$)

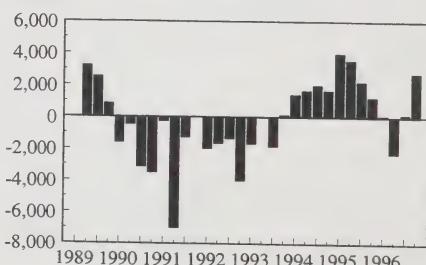
% change, year-over-year



## Change in Inventories

(1986 \$)

millions



**ONTARIO GROSS DOMESTIC PRODUCT, (INCOME BASED)**

(\$ millions, seasonally adjusted at annual rates)

**TABLE 1**

	1995				1996			
	I	II	III	IV	I	II	III	IV
1. Wages, salaries and supplementary labour income ( <i>domestic basis</i> )	171,771 2.0	170,944 -1.9	173,770 6.8	176,011 5.3	176,234 0.5	177,219 2.3	178,760 3.5	182,081 7.6
2. Military pay and allowances	1,513 -13.5	1,490 -5.9	1,354 -31.8	1,311 -12.1	1,215 -26.2	1,229 4.6	1,240 3.6	1,249 2.9
3. Corporation profits before taxes	26,806 19.3	26,879 1.1	29,758 50.2	31,268 21.9	28,784 -28.2	29,380 8.5	31,993 40.6	32,842 11.1
4. Interest and miscellaneous investment income	17,555 21.2	16,515 -21.7	16,058 -10.6	15,784 -6.7	15,463 -7.9	15,551 2.3	15,674 3.2	15,666 -0.2
5. Accrued net income of farm operators from farm production	235 240.5	360 450.7	450 144.1	619 258.0	591 -16.9	844 315.9	776 -28.5	399 -93.0
6. Net income of non-farm unincorporated business including rent	16,930 3.5	17,057 3.0	17,228 4.0	17,426 4.7	17,484 1.3	17,719 5.5	17,831 2.5	17,938 2.4
7. Inventory valuation adjustment	-3,610	-1,320	-827	-433	474	-1,027	-1,939	-915
8. Net Domestic Income at factor cost	231,200 3.2	231,925 1.3	237,791 10.5	241,986 7.2	240,245 -2.8	240,915 1.1	244,335 5.8	249,260 8.3
9. Indirect taxes less subsidies	41,492 -3.4	41,254 -2.3	41,018 -2.3	40,689 -3.2	41,553 8.8	41,825 2.6	42,712 8.8	42,962 2.4
0. Capital consumption allowances and miscellaneous valuation adjustments	36,263 6.6	36,111 -1.7	36,635 5.9	36,913 3.1	37,097 2.0	37,926 9.2	38,078 1.6	37,636 -4.6
1. Gross Domestic Product at market prices	308,955 2.7	309,290 0.4	315,444 8.2	319,588 5.4	318,895 -0.9	320,666 2.2	325,125 5.7	329,858 6.0

*Note:* Percentage change from previous quarter is given on the second line.*Sources:* Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT, (EXPENDITURE BASED)**  
(\$ millions, seasonally adjusted at annual rates)

TABLE

	1995				1996			
	I	II	III	IV	I	II	III	IV
1. Personal expenditure on consumer goods and services:	181,453 2.8	182,335 2.0	184,567 5.0	183,691 -1.9	185,825 4.7	186,855 2.2	188,235 3.0	191,071 6.2
2. Goods	84,809 2.9	84,519 -1.4	85,267 3.6	83,530 -7.9	84,250 3.5	84,715 2.2	84,932 1.0	86,531 7.8
3. Services	96,644 2.7	97,816 4.9	99,300 6.2	100,161 3.5	101,575 5.8	102,140 2.2	103,303 4.6	104,530 4.9
4. Government expenditure on goods and services:	64,280 1.5	64,127 -0.9	63,387 -4.5	63,431 0.3	62,080 -8.2	62,310 1.5	61,089 -7.6	61,177 0.6
5. Current expenditure	57,524 3.5	57,674 1.0	56,971 -4.8	57,147 1.2	55,811 -9.0	56,233 3.1	55,238 -6.9	55,343 0.8
6. Capital expenditure	6,756 -13.4	6,453 -16.8	6,416 -2.3	6,284 -8.0	6,269 -1.0	6,077 -11.7	5,851 -14.1	5,834 -1.2
7. Business gross fixed capital formation:	41,347 -7.0	41,994 6.4	40,127 -16.6	39,863 -2.6	41,935 22.5	43,378 14.5	45,992 26.4	48,925 28.1
8. Residential construction	13,736 -27.1	13,250 -13.4	13,361 3.4	13,038 -9.3	13,595 18.2	14,882 43.6	15,617 21.3	16,811 34.5
9. Non-residential construction	5,883 13.8	5,891 0.5	6,046 10.9	6,285 16.8	6,344 3.8	6,509 10.8	6,629 7.6	6,786 9.8
10. Machinery and equipment	21,728 3.5	22,853 22.4	20,720 -32.4	20,540 -3.4	21,996 31.5	21,987 -0.2	23,746 36.0	25,321 29.3
11. Exports of goods and services	203,954 9.4	196,476 -13.9	199,136 5.5	210,448 24.7	210,983 1.0	213,360 4.6	214,533 2.2	206,500 -14.2
12. DEDUCT: Imports of goods and services	186,724 18.1	180,460 -12.8	174,949 -11.7	179,889 11.8	182,134 5.1	182,891 1.7	184,827 4.3	181,328 -7.4
13. Value of physical change in inventories:	4,148	4,307	2,846	1,904	270	-2,105	319	3,366
14. Non-farm	4,264	4,265	2,784	1,980	234	-2,203	223	3,437
15. Farm and grain in commercial channels	-116	42	62	-76	36	98	96	-71
16. Statistical discrepancy	497	511	330	140	-64	-241	-216	147
17. Gross Domestic Product at market prices	308,955 2.7	309,290 0.4	315,444 8.2	319,588 5.4	318,895 -0.9	320,666 2.2	325,125 5.7	329,858 6.0
18. Gross Domestic Product at 1986 prices	243,444 -0.3	241,860 -2.6	246,461 7.8	249,319 4.7	248,046 -2.0	248,951 1.5	251,166 3.6	253,029 3.0

Note: Percentage change from previous quarter is given at annual rate on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT AT 1986 PRICES***millions, seasonally adjusted at annual rates)***TABLE 3**

	1995				1996			
	I	II	III	IV	I	II	III	IV
	138,757	138,488	139,690	138,857	140,263	140,401	140,825	142,383
Personal expenditure on consumer goods and services	0.3	-0.8	3.5	-2.4	4.1	0.4	1.2	4.5
Goods	68,174	67,453	67,942	66,747	67,292	67,234	67,300	68,136
0.3	-4.2	2.9	-6.9		3.3	-0.3	0.4	5.1
Services	70,583	71,035	71,748	72,110	72,971	73,167	73,525	74,247
0.2	2.6	4.1	2.0		4.9	1.1	2.0	4.0
Government expenditure on goods and services:	49,966	49,852	49,454	49,539	48,582	48,706	47,703	47,712
0.9	-0.9	-3.2	0.7		-7.5	1.0	-8.0	0.1
Current expenditure	43,121	43,234	42,771	42,775	41,775	42,122	41,315	41,301
2.9	1.1	-4.2	0.0		-9.0	3.4	-7.4	-0.1
Capital expenditure	6,845	6,618	6,683	6,764	6,807	6,584	6,388	6,411
-10.2	-12.6	4.0	4.9		2.5	-12.5	-11.4	1.5
Business gross fixed capital formation:	42,193	43,248	41,632	42,261	44,570	45,894	49,108	52,375
-2.4	10.4	-14.1	6.2		23.7	12.4	31.1	29.4
Residential construction	10,190	9,815	9,732	9,615	10,018	10,919	11,416	12,205
-23.8	-13.9	-3.4	-4.7		17.9	41.1	19.5	30.6
Non-residential construction	4,673	4,687	4,780	4,964	5,027	5,101	5,163	5,293
11.7	1.1	8.2	16.4		5.1	6.0	4.9	10.5
Machinery and equipment	27,330	28,746	27,120	27,682	29,525	29,874	32,529	34,877
5.1	22.4	-20.8	8.5		29.4	4.8	40.6	32.2
Exports of goods and services	182,591	175,830	179,726	189,764	188,210	191,183	190,526	183,555
1.4	-14.0	9.2	24.3		-3.2	6.5	-1.4	-13.9
Deduct: Imports of goods and services	173,858	168,970	166,096	172,143	173,131	174,348	176,362	175,027
7.9	-10.8	-6.6	15.4		2.3	2.8	4.7	-3.0
Value of physical change in inventories:	3,957	3,532	2,193	1,227	93	-2,261	137	2,720
Non-farm	3,934	3,401	2,161	1,449	83	-2,348	100	2,752
Farm and grain in commercial channels	23	131	32	-223	10	87	37	-32
Statistical discrepancy	-162	-120	-138	-186	-541	-624	-771	-689
Gross Domestic Product at 1986 prices	243,444	241,860	246,461	249,319	248,046	248,951	251,166	253,029
-0.3	-2.6	7.8	4.7		-2.0	1.5	3.6	3.0
Final domestic demand	230,917	231,588	230,776	230,658	233,415	235,000	237,635	242,470
-0.1	1.2	-1.4	-0.2		4.9	2.7	4.6	8.4

Note: Percentage change from previous quarter is given at annual rate on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**SOURCES AND DISPOSITION OF ONTARIO PERSONAL INCOME**

(\$ millions, seasonally adjusted at annual rates)

**TABLE**

	1995				1996			
	I	II	III	IV	I	II	III	IV
1. Wages, salaries and supplementary labour income (national basis)	170,545 2.0	169,724 -1.9	172,531 6.8	174,755 5.3	174,976 0.5	175,954 2.3	177,484 3.5	180,781 7.1
2. Add: Military pay and allowances	1,513 -13.5	1,490 -5.9	1,354 -31.8	1,311 -12.1	1,215 -26.2	1,229 4.6	1,240 3.6	1,241 2.2
3. Net income of farm operators from farm production	242 -4.8	348 327.6	388 54.5	457 92.5	398 -42.5	600 416.5	519 -44.0	133 -99.1
4. Net income of non-farm unincorporated business including rent	16,930 3.5	17,057 3.0	17,228 4.0	17,426 4.7	17,484 1.3	17,719 5.5	17,831 2.5	17,931 2.2
5. Interest, dividends and miscellaneous investment income	34,521 9.9	35,342 9.9	35,653 3.6	35,614 -0.4	34,892 -7.9	34,487 -4.6	34,073 -4.7	33,531 -6.2
6. Current transfers from government, corporations and non-residents	42,030 -0.5	41,278 -7.0	41,298 0.2	40,689 -5.8	41,045 3.5	40,756 -2.8	40,148 -5.8	40,221 0.0
7. Equals: Personal income	265,781 2.6	265,239 -0.8	268,451 4.9	270,252 2.7	270,010 -0.4	270,745 1.1	271,295 0.8	273,861 3.3
8. Deduct: Personal direct taxes	60,843 2.0	61,913 7.2	63,843 13.1	64,190 2.2	64,843 4.1	66,132 8.2	65,868 -1.6	66,371 3.0
9. Other current transfers to government	1,283 -20.8	1,071 -51.4	938 -41.2	812 -43.8	839 13.8	849 5.0	843 -3.0	851 4.4
10. Equals: Personal disposable income	203,655 2.9	202,255 -2.7	203,670 2.8	205,250 3.1	204,328 -1.8	203,764 -1.1	204,584 1.6	206,641 4.0
11. Deduct: Personal expenditure on consumer goods and services	181,453 2.8	182,335 2.0	184,567 5.0	183,691 -1.9	185,825 4.7	186,855 2.2	188,235 3.0	191,071 6.0
12. Current transfers to corporations	2,289 69.2	2,621 71.9	2,742 19.8	2,739 -0.4	2,622 -16.0	2,535 -12.7	2,456 -11.9	2,411 -6.0
13. Current transfers to non-residents	408 16.2	408 0.0	409 1.0	409 0.0	422 13.3	422 0.0	424 1.4	421 0.0
14. Equals: Personal saving	19,505 -2.5	16,891 -43.8	15,952 -20.5	18,411 77.5	15,459 -50.3	13,952 -33.7	13,469 -13.1	12,731 -20.0
15. Personal savings rate	9.6	8.4	7.8	9.0	7.6	6.8	6.6	6.2

Note: Percentage change from previous quarter is given at annual rate on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO TRADE**

(\$ millions, seasonally adjusted at annual rates)

TABLE 5

	1995				1996			
	I	II	III	IV	I	II	III	IV
1. Exports of Goods and Services	203,954	196,476	199,136	210,448	210,983	213,360	214,533	206,500
	9.4	-13.9	5.5	24.7	1.0	4.6	2.2	-14.2
2. Of Which: International	141,750	135,608	137,604	148,144	146,833	150,838	150,833	141,974
	16.7	-16.2	6.0	34.3	1.9	5.5	0.0	-21.5
3. Goods	123,764	117,988	119,916	128,884	129,587	131,520	131,717	121,652
	17.6	-17.4	6.7	33.4	2.2	6.1	0.6	-27.2
4. Services	17,986	17,620	17,688	19,260	19,246	19,318	19,116	20,322
	11.1	-7.9	-1.6	40.6	-0.3	1.5	-4.1	27.7
5. Of Which: Interprovincial goods and services	62,204	60,868	61,532	62,304	62,150	62,522	63,700	64,526
	-5.3	-8.3	4.4	5.1	-1.0	2.4	7.8	5.3
6. Imports of Goods and Services	186,724	180,460	174,949	179,889	182,134	182,891	184,827	181,328
	18.1	-12.8	-11.7	11.8	5.1	1.7	4.3	-7.4
7. Trade Balance	17,230	16,016	24,187	30,559	28,849	30,469	29,706	25,172

Note: Percentage change from previous quarter is given at annual rate on the second line.

Source: Office of Economic Policy, Ontario Ministry of Finance

**RELATIONSHIP BETWEEN ONTARIO GROSS DOMESTIC PRODUCT  
AND ONTARIO GROSS PROVINCIAL PRODUCT**  
(\$ millions, seasonally adjusted at annual rates)

TABLE 6

	1995				1996			
	I	II	III	IV	I	II	III	IV
1. Gross Domestic Product at market prices	308,955	309,290	315,444	319,588	318,895	320,866	325,125	329,858
	2.7	0.4	8.2	5.4	-0.9	2.2	5.7	6.0
2. Less: Investment income paid to non-residents	16,735	16,988	16,237	16,269	16,831	16,607	16,301	16,058
	27.8	6.2	-16.6	0.8	14.5	-5.2	-7.2	-5.8
3. Plus: Investment income received from non-residents	8,208	8,281	8,190	8,706	8,407	8,788	8,121	8,292
	12.1	3.6	-4.3	27.7	-13.1	19.4	-27.1	8.7
4. Equals: Gross Provincial Product at market prices	300,427	300,583	307,397	312,024	310,471	312,847	316,945	322,092
	1.7	0.2	9.4	6.2	-2.0	3.1	5.3	6.7

Note: Percentage change from previous quarter is given at annual rate on the second line.

Source: Office of Economic Policy; Ontario Ministry of Finance

## ONTARIO DEFLATORS

1986 = 100)

TABLE 7

	1995				1996			
	I	II	III	IV	I	II	III	IV
	130.8 2.6	131.7 2.8	132.1 1.4	132.3 0.5	132.5 0.6	133.1 1.8	133.7 1.8	134.2 1.6
Personal expenditure on consumer goods and services:								
Goods	124.4 2.6	125.3 2.9	125.5 0.6	125.1 -1.1	125.2 0.2	126.0 2.6	126.2 0.6	127.0 2.6
Services	136.9 2.5	137.7 2.3	138.4 2.0	138.9 1.5	139.2 0.9	139.6 1.2	140.5 2.6	140.8 0.9
Government expenditure on goods and services:	128.6 0.6	128.6 0.0	128.2 -1.4	128.0 -0.4	127.8 -0.8	127.9 0.5	128.1 0.4	128.2 0.5
Current expenditure	133.4 0.6	133.4 0.0	133.2 -0.6	133.6 1.2	133.6 0.0	133.5 -0.3	133.7 0.6	134.0 0.9
Capital expenditure	98.7 -3.6	97.5 -4.8	96.0 -6.0	92.9 -12.3	92.1 -3.4	92.3 0.9	91.6 -3.0	91.0 -2.6
Business gross fixed capital formation:	98.0 -4.7	97.1 -3.6	96.4 -2.9	94.3 -8.3	94.1 -1.0	94.5 1.8	93.7 -3.6	93.4 -1.0
Residential construction	134.8 -4.3	135.0 0.6	137.3 7.0	135.6 -4.9	135.7 0.3	136.3 1.8	136.8 1.5	137.8 3.0
Non-residential construction	125.9 1.9	125.7 -0.6	126.5 2.6	126.6 0.3	126.2 -1.3	127.6 4.5	128.4 2.5	128.2 -0.6
Machinery and equipment	79.5 -1.5	79.5 0.0	76.4 -14.7	74.2 -11.0	74.5 1.6	73.6 -4.7	73.0 -3.2	72.6 -2.2
Exports of goods and services	111.7 7.9	111.7 0.2	110.8 -3.3	110.9 0.4	112.1 4.4	111.6 -1.8	112.6 3.6	112.5 -0.4
DEDUCT: Imports of goods and services	107.4 9.5	106.8 -2.2	105.3 -5.4	104.5 -3.1	105.2 2.7	104.9 -1.1	104.8 -0.4	103.6 -4.5
Value of physical change in inventories:	104.7	121.9	129.8	155.2	289.0	93.1	232.2	123.8
Non-farm	108.4	125.4	128.8	136.6	281.2	93.8	222.6	124.9
Farm and grain in commercial channels	-510.2	32.1	194.1	34.1	352.2	112.9	258.2	220.8
Gross Domestic Product at market prices	126.9 3.0	127.9 3.1	128.0 0.3	128.2 0.6	128.6 1.2	128.8 0.8	129.4 2.0	130.4 2.9
Final domestic demand	124.3 1.1	124.6 0.8	124.8 0.9	124.4 -1.3	124.2 -0.8	124.5 1.0	124.3 -0.7	124.2 -0.2

Note: Percentage change from previous quarter is given at annual rate on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT, (INCOME BASED)**  
(\$ millions)

**TABLE 8**

	1992	1993	1994	1995	1996
1. Wages, salaries and supplementary labour income ( <i>domestic basis</i> )	163,477 1.7	164,635 0.7	167,834 1.9	173,124 3.2	178,573 3.1
2. Military pay and allowances	1,415 5.7	1,393 -1.5	1,512 8.5	1,417 -6.3	1,233 -13.0
3. Corporation profits before taxes	15,961 0.3	18,931 18.6	24,967 31.9	28,678 14.9	30,750 7.2
4. Interest and miscellaneous investment income	16,472 4.2	14,941 -9.3	16,303 9.1	16,478 1.1	15,588 -5.4
5. Accrued net income of farm operators from farm production	218 -20.1	323 48.2	246 -23.8	416 69.1	653 56.9
6. Net income of non-farm unincorporated business including rent	15,321 2.7	16,537 7.9	16,865 2.0	17,160 1.7	17,743 3.4
7. Inventory valuation adjustment	-948	-1,211	-2,608	-1,548	-852
8. Net Domestic Income at factor cost	211,916 1.0	215,549 1.7	225,119 4.4	235,725 4.7	243,688 3.4
9. Indirect taxes less subsidies	37,643 4.9	38,633 2.6	40,529 4.9	41,113 1.4	42,263 2.8
10. Capital consumption allowances and miscellaneous valuation adjustments	33,244 1.3	34,387 3.4	35,434 3.0	36,481 3.0	37,685 3.3
11. Gross Domestic Product at market prices	282,803 1.6	288,569 2.0	301,082 4.3	313,319 4.1	323,636 3.3

Note: Percentage change from previous year is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT, (EXPENDITURE BASED)**

(\$ millions)

**TABLE 9**

	<b>1992</b>	<b>1993</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>
<b>1. Personal expenditure on consumer goods and services:</b>	<b>166,462</b>	<b>171,502</b>	<b>177,292</b>	<b>183,012</b>	<b>187,996</b>
	2.4	3.0	3.4	3.2	2.7
<b>2. Goods</b>	<b>77,802</b>	<b>79,885</b>	<b>82,515</b>	<b>84,532</b>	<b>85,107</b>
	0.8	2.7	3.3	2.4	0.7
<b>3. Services</b>	<b>88,660</b>	<b>91,617</b>	<b>94,777</b>	<b>98,480</b>	<b>102,889</b>
	3.8	3.3	3.4	3.9	4.5
<b>4. Government expenditure on goods and services:</b>	<b>64,031</b>	<b>63,865</b>	<b>63,816</b>	<b>63,806</b>	<b>61,664</b>
	3.4	-0.3	-0.1	0.0	-3.4
<b>5. Current expenditure</b>	<b>57,971</b>	<b>58,623</b>	<b>57,772</b>	<b>57,329</b>	<b>55,656</b>
	3.9	1.1	-1.5	-0.8	-2.9
<b>6. Capital expenditure</b>	<b>6,060</b>	<b>5,242</b>	<b>6,044</b>	<b>6,477</b>	<b>6,008</b>
	-1.6	-13.5	-15.3	7.2	-7.2
<b>7. Business gross fixed capital formation:</b>	<b>41,643</b>	<b>39,075</b>	<b>41,292</b>	<b>40,833</b>	<b>45,058</b>
	-5.7	-6.2	5.7	-1.1	10.3
<b>8. Residential construction</b>	<b>15,781</b>	<b>14,668</b>	<b>15,299</b>	<b>13,346</b>	<b>15,228</b>
	0.6	-7.1	4.3	-12.8	14.1
<b>9. Non-residential construction</b>	<b>9,257</b>	<b>7,459</b>	<b>6,123</b>	<b>6,026</b>	<b>6,567</b>
	-18.4	-19.4	-17.9	-1.6	9.0
<b>10. Machinery and equipment</b>	<b>16,605</b>	<b>16,948</b>	<b>19,871</b>	<b>21,460</b>	<b>23,263</b>
	-3.0	2.1	17.2	8.0	8.4
<b>11. Exports of goods and services</b>	<b>140,970</b>	<b>156,418</b>	<b>182,258</b>	<b>202,504</b>	<b>211,344</b>
	6.8	11.0	16.5	11.1	4.4
<b>12. DEDUCT: Imports of goods and services</b>	<b>126,589</b>	<b>139,925</b>	<b>164,314</b>	<b>180,506</b>	<b>182,795</b>
	7.1	10.5	17.4	9.9	1.3
<b>13. Value of physical change in inventories:</b>	<b>-2,553</b>	<b>-1,061</b>	<b>1,449</b>	<b>3,301</b>	<b>463</b>
<b>14. Non-farm</b>	<b>-2,255</b>	<b>-1,152</b>	<b>1,479</b>	<b>3,323</b>	<b>423</b>
<b>15. Farm and grain in commercial channels</b>	<b>-298</b>	<b>91</b>	<b>-30</b>	<b>-22</b>	<b>40</b>
<b>16. Statistical discrepancy</b>	<b>-1,161</b>	<b>-1,305</b>	<b>-711</b>	<b>369</b>	<b>-94</b>
<b>17. Gross Domestic Product at market prices</b>	<b>282,803</b>	<b>288,569</b>	<b>301,082</b>	<b>313,319</b>	<b>323,636</b>
	1.6	2.0	4.3	4.1	3.3
<b>18. Gross Domestic Product at 1986 prices</b>	<b>224,330</b>	<b>226,954</b>	<b>237,754</b>	<b>245,271</b>	<b>250,298</b>
	1.0	1.2	4.7	3.2	2.0

Note: Percentage change from previous year is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT AT 1986 PRICES**  
(\$ millions)

**TABLE 10**

	1992	1993	1994	1995	1996
<b>1. Personal expenditure on consumer goods and services:</b>	<b>131,681</b>	<b>133,120</b>	<b>136,747</b>	<b>138,948</b>	<b>140,968</b>
1.1	1.1	1.1	2.7	1.6	1.5
<b>2. Goods</b>	<b>63,330</b>	<b>64,153</b>	<b>66,783</b>	<b>67,579</b>	<b>67,490</b>
0.6	1.3	4.1	1.2	-0.1	
<b>3. Services</b>	<b>68,351</b>	<b>68,967</b>	<b>69,964</b>	<b>71,369</b>	<b>73,478</b>
1.5	0.9	1.4	2.0	3.0	
<b>4. Government expenditure on goods and services:</b>	<b>50,856</b>	<b>50,170</b>	<b>49,811</b>	<b>49,703</b>	<b>48,176</b>
1.3	-1.3	-0.7	-0.2	-3.1	
<b>5. Current expenditure</b>	<b>44,660</b>	<b>44,747</b>	<b>43,661</b>	<b>42,975</b>	<b>41,628</b>
1.0	0.2	-2.4	-1.6	-3.1	
<b>6. Capital expenditure</b>	<b>6,196</b>	<b>5,423</b>	<b>6,150</b>	<b>6,728</b>	<b>6,548</b>
3.3	-12.5	13.4	9.4	-2.7	
<b>7. Business gross fixed capital formation:</b>	<b>39,996</b>	<b>38,282</b>	<b>40,714</b>	<b>42,334</b>	<b>47,987</b>
-1.4	-4.3	6.4	4.0	13.4	
<b>8. Residential construction</b>	<b>12,044</b>	<b>11,150</b>	<b>11,346</b>	<b>9,838</b>	<b>11,140</b>
2.4	-7.4	1.8	-13.3	13.2	
<b>9. Non-residential construction</b>	<b>7,926</b>	<b>6,300</b>	<b>4,985</b>	<b>4,776</b>	<b>5,146</b>
-17.3	-20.5	-20.9	-4.2	7.7	
<b>10. Machinery and equipment</b>	<b>20,026</b>	<b>20,832</b>	<b>24,383</b>	<b>27,720</b>	<b>31,701</b>
4.2	4.0	17.0	13.7	14.4	
<b>11. Exports of goods and services</b>	<b>133,737</b>	<b>144,687</b>	<b>165,521</b>	<b>181,978</b>	<b>188,368</b>
6.1	8.2	14.4	9.9	3.5	
<b>12. DEDUCT: Imports of goods and services</b>	<b>128,748</b>	<b>137,404</b>	<b>156,478</b>	<b>170,267</b>	<b>174,717</b>
6.0	6.7	13.9	8.8	2.6	
<b>13. Value of physical change in inventories:</b>	<b>-2,233</b>	<b>-841</b>	<b>1,665</b>	<b>2,727</b>	<b>172</b>
<b>14. Non-farm</b>	<b>-1,980</b>	<b>-841</b>	<b>1,581</b>	<b>2,736</b>	<b>147</b>
<b>15. Farm and grain in commercial channels</b>	<b>-253</b>	<b>0</b>	<b>84</b>	<b>-9</b>	<b>25</b>
<b>16. Statistical discrepancy</b>	<b>-959</b>	<b>-1,060</b>	<b>-226</b>	<b>-152</b>	<b>-656</b>
<b>17. Gross Domestic Product at 1986 prices</b>	<b>224,330</b>	<b>226,954</b>	<b>237,754</b>	<b>245,271</b>	<b>250,298</b>
1.0	1.2	4.7	3.2	2.0	
<b>18. Final domestic demand</b>	<b>222,534</b>	<b>221,574</b>	<b>227,272</b>	<b>230,985</b>	<b>237,130</b>
0.7	-0.4	2.6	1.6	2.7	

**Notes:** Percentage change from previous year is given on the second line.

**Sources:** Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**SOURCES AND DISPOSITION OF ONTARIO PERSONAL INCOME**  
(\$ millions)

TABLE 11

	1992	1993	1994	1995	1996
<b>1. Wages, salaries and supplementary labour income (national basis)</b>	<b>160,778</b> 1.6	<b>161,893</b> 0.7	<b>166,119</b> 2.6	<b>171,889</b> 3.5	<b>177,299</b> 3.1
<b>2. Add: Military pay and allowances</b>	<b>1,415</b> 5.7	<b>1,394</b> -1.5	<b>1,512</b> 8.5	<b>1,417</b> -6.3	<b>1,233</b> -13.0
<b>3. Net income of farm operators from farm production</b>	<b>257</b> 40.4	<b>467</b> 81.7	<b>219</b> -53.2	<b>359</b> 64.2	<b>414</b> 15.3
<b>4. Net income of non-farm unincorporated business including rent</b>	<b>15,321</b> 2.7	<b>16,537</b> 7.9	<b>16,865</b> 2.0	<b>17,160</b> 1.7	<b>17,743</b> 3.4
<b>5. Interest, dividends and miscellaneous investment income</b>	<b>33,884</b> -4.6	<b>32,021</b> -5.5	<b>32,347</b> 1.0	<b>35,283</b> 9.1	<b>34,246</b> -2.9
<b>6. Current transfers from government, corporations and non-residents</b>	<b>39,273</b> 10.5	<b>40,905</b> 4.2	<b>41,442</b> 1.3	<b>41,324</b> -0.3	<b>40,544</b> -1.9
<b>7. Equals: Personal income</b>	<b>250,928</b> 2.1	<b>253,217</b> 0.9	<b>258,503</b> 2.1	<b>267,431</b> 3.5	<b>271,479</b> 1.5
<b>8. Deduct: Personal direct taxes</b>	<b>56,770</b> 1.2	<b>57,002</b> 0.4	<b>58,895</b> 3.3	<b>62,697</b> 6.5	<b>65,803</b> 5.0
<b>9. Other current transfers to government</b>	<b>970</b> 4.0	<b>1,032</b> 6.4	<b>1,052</b> 1.9	<b>1,026</b> -2.4	<b>846</b> -17.6
<b>10. Equals: Personal disposable income</b>	<b>193,188</b> 2.4	<b>195,183</b> 1.0	<b>198,556</b> 1.7	<b>203,708</b> 2.6	<b>204,830</b> 0.6
<b>11. Deduct: Personal expenditure on consumer goods and services</b>	<b>166,462</b> 2.4	<b>171,502</b> 3.0	<b>177,292</b> 3.4	<b>183,012</b> 3.2	<b>187,996</b> 2.7
<b>12. Current transfers to corporations</b>	<b>2,468</b> -26.2	<b>1,965</b> -20.4	<b>1,857</b> -5.5	<b>2,598</b> 39.9	<b>2,507</b> -3.5
<b>13. Current transfers to non-residents</b>	<b>352</b> 22.2	<b>369</b> 4.8	<b>389</b> 5.4	<b>409</b> 5.0	<b>423</b> 3.5
<b>14. Equals: Personal saving</b>	<b>23,906</b> 6.3	<b>21,347</b> -10.7	<b>19,017</b> -10.9	<b>17,690</b> -7.0	<b>13,904</b> -21.4
<b>15. Personal savings rate</b>	<b>12.4</b>	<b>10.9</b>	<b>9.6</b>	<b>8.7</b>	<b>6.8</b>

Note: Percentage change from previous year is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO TRADE**

(\$ millions)

**TABLE 12**

	1992	1993	1994	1995	1996
<b>1. Exports of Goods and Services</b>	<b>140,970</b>	<b>156,418</b>	<b>182,258</b>	<b>202,504</b>	<b>211,344</b>
	6.8	11.0	16.5	11.1	4.4
<b>2. Of Which: International</b>	<b>88,259</b>	<b>101,828</b>	<b>122,613</b>	<b>140,777</b>	<b>148,119</b>
	13.7	15.4	20.4	14.8	5.2
<b>3. Goods</b>	<b>75,677</b>	<b>87,501</b>	<b>106,037</b>	<b>122,638</b>	<b>128,619</b>
	15.4	15.6	21.2	15.7	4.9
<b>4. Services</b>	<b>12,582</b>	<b>14,327</b>	<b>16,576</b>	<b>18,139</b>	<b>19,501</b>
	4.1	13.9	15.7	9.4	7.5
<b>5. Of Which: Interprovincial goods and services</b>	<b>52,711</b>	<b>54,590</b>	<b>59,645</b>	<b>61,727</b>	<b>63,225</b>
	-3.0	3.6	9.3	3.5	2.4
<b>6. Imports of Goods and Services</b>	<b>126,589</b>	<b>139,925</b>	<b>164,314</b>	<b>180,506</b>	<b>182,795</b>
	7.1	10.5	17.4	9.9	1.3
<b>7. Trade Balance</b>	<b>14,381</b>	<b>16,493</b>	<b>17,944</b>	<b>21,998</b>	<b>28,549</b>

Note: Percentage change from previous year is given on the second line.

Source: Office of Economic Policy, Ontario Ministry of Finance

**RELATIONSHIP BETWEEN ONTARIO GROSS DOMESTIC PRODUCT  
AND ONTARIO GROSS PROVINCIAL PRODUCT**  
*( $\$$  millions)*

TABLE 13

	1992	1993	1994	1995	1996
1. Gross Domestic Product at market prices	282,802 1.6	288,569 2.0	301,082 4.3	313,319 4.1	323,636 3.3
2. Less: Investment income paid to non-residents	13,733 2.8	14,088 2.6	15,578 10.6	16,558 6.3	16,449 -0.7
3. Plus: Investment income received from non-residents	5,930 -8.2	6,491 9.5	7,019 8.1	8,346 18.9	8,402 0.7
4. Equals: Gross Provincial Product at market prices	274,999 1.3	280,972 2.2	292,523 4.1	305,108 4.3	315,589 3.4

Note: Percentage change from previous year is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO DEFLATATORS**

(1986 = 100)

TABLE 14

	1992	1993	1994	1995	1996
1. Personal expenditure on consumer goods and services:	126.4 1.3	128.8 1.9	129.6 0.6	131.7 1.6	133.4 1.3
2. Goods	122.9 0.2	124.5 1.4	123.6 -0.8	125.1 1.2	126.1 0.8
3. Services	129.7 2.3	132.8 2.4	135.5 2.0	138.0 1.9	140.0 1.5
4. Government expenditure on goods and services:	125.9 2.1	127.3 1.1	128.1 0.6	128.4 0.2	128.0 -0.3
5. Current expenditure	129.8 2.9	131.0 0.9	132.3 1.0	133.4 0.8	133.7 0.2
6. Capital expenditure	97.8 -4.7	96.7 -1.2	98.2 1.6	96.3 -1.9	91.8 -4.7
7. Business gross fixed capital formation:	104.1 -4.3	102.1 -2.0	101.5 -0.6	96.5 -4.9	93.9 -2.6
8. Residential construction	131.0 -1.8	131.5 0.4	134.9 2.5	135.7 0.6	136.7 0.7
9. Non-residential construction	116.8 -1.3	118.4 1.4	123.0 3.8	126.2 2.6	127.6 1.1
10. Machinery and equipment	83.0 -6.8	81.4 -2.0	81.6 0.3	77.4 -5.1	73.4 -5.1
11. Exports of goods and services	105.4 0.6	108.1 2.6	110.1 1.9	111.3 1.1	112.2 0.8
12. DEDUCT: Imports of goods and services	98.3 0.9	101.8 3.6	105.0 3.1	106.0 1.0	104.6 -1.3
13. Value of physical change in inventories:	114.3	126.1	87.1	121.1	184.5
14. Non-farm	113.9	137.0	93.5	121.4	180.6
15. Farm and grain in commercial channels	117.8	na	-35.9	235.6	236.0
16. Gross Domestic Product at market prices	126.1 0.6	127.1 0.8	126.6 -0.4	127.7 0.9	129.3 1.2
17. Final domestic demand	122.3 0.7	123.9 1.2	124.3 0.3	124.5 0.2	124.3 -0.2

Note: Percentage change from previous quarter is given at annual rate on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO PRODUCTION BY INDUSTRY, 1986\$**  
(\$millions, seasonally adjusted at annual rates)

TABLE 15

	1995				1996			
	I	II	III	IV	I	II	III	IV
	5,383 -18.5	5,345 -2.8	5,495 11.7	5,483 -0.8	5,595 8.4	5,524 -5.0	5,568 3.2	5,627 4.3
1. Primary								
2. Manufacturing	55,270 6.1	53,377 -13.0	54,016 4.9	54,356 2.5	54,212 -1.1	54,630 3.1	55,376 5.6	55,058 -2.3
3. Construction	9,198 -22.9	8,657 -21.5	8,657 0.0	8,612 -2.1	8,446 -7.5	8,693 12.2	8,975 13.6	8,759 -9.3
4. Utilities	5,178 9.7	5,368 15.5	5,610 19.3	5,482 -8.8	5,427 -4.0	5,362 -4.7	5,352 -0.7	5,491 10.8
5. Goods Producing Industries	75,029 0.1	72,747 -11.6	73,777 5.8	73,934 0.9	73,680 -1.4	74,208 2.9	75,270 5.8	74,935 -1.8
6. Transportation, Storage and Communication	15,445 4.9	15,476 0.8	15,756 7.4	15,919 4.2	16,028 2.7	16,535 13.3	17,052 13.1	17,117 1.5
7. Wholesale & Retail Trade	27,464 -1.0	27,274 -2.7	27,543 4.0	27,216 -4.7	27,488 4.1	27,653 2.4	28,282 9.4	28,728 6.5
8. Finance, Insurance and Real Estate	32,443 -0.4	32,852 5.1	33,247 4.9	33,405 1.9	33,766 4.4	34,103 4.0	34,207 1.2	35,171 11.8
9. Community, Business and Personal Services	48,729 2.4	49,080 2.9	49,406 2.7	49,733 2.7	49,753 0.2	49,422 -2.6	49,597 1.4	50,123 4.3
10. Government Services	12,188 -1.2	12,146 -1.4	12,107 -1.3	11,973 -4.3	11,199 -23.5	11,521 12.0	11,366 -5.3	11,349 -0.6
11. Services Producing Industries	136,269 1.0	136,827 1.6	138,060 3.7	138,247 0.5	138,234 0.0	139,233 2.9	140,504 3.7	142,488 5.8
12. Miscellaneous Industries	1,046	1,298	2182	3254	2646	2,355	2,502	2,412
13. Total Production (1986\$) at Factor Cost	212,344 -0.3	210,873 -2.7	214,019 6.1	215,435 2.7	214,560 -1.6	215,797 2.3	218,201 4.5	219,835 3.0
14. Indirect Taxes Less Subsidies plus Miscellaneous Adjustments	31,100	30,987	32,442	33,885	33,486	33,154	32,965	33,194
15. Gross Domestic Product (1986\$) at Market Prices	243,444 -0.3	241,860 -2.6	246,461 7.8	249,319 4.7	248,046 -2.0	248,951 1.5	251,166 3.6	253,029 3.0

**ONTARIO PRODUCTION BY INDUSTRY, 1986\$**  
(\$millions)

**TABLE 16**

	1992	1993	1994	1995	1996
<b>1. Primary</b>	<b>5,012</b> -1.0	<b>5,111</b> 2.0	<b>5,286</b> 3.4	<b>5,426</b> 2.7	<b>5,578</b> 2.8
<b>2. Manufacturing</b>	<b>44,815</b> 2.1	<b>46,929</b> 4.7	<b>51,099</b> 8.9	<b>54,255</b> 6.2	<b>54,819</b> 1.0
<b>3. Construction</b>	<b>10,273</b> -6.9	<b>9,123</b> -11.2	<b>9,223</b> 1.1	<b>8,781</b> -4.8	<b>8,718</b> -0.7
<b>4. Utilities</b>	<b>5,131</b> -3.2	<b>5,239</b> 2.1	<b>5,447</b> 4.0	<b>5,410</b> -0.7	<b>5,408</b> 0.0
<b>5. Goods Producing Industries</b>	<b>65,230</b> -0.1	<b>66,402</b> 1.8	<b>71,055</b> 7.0	<b>73,872</b> 4.0	<b>74,523</b> 0.9
<b>6. Transportation, Storage and Communication</b>	<b>14,097</b> 1.1	<b>14,218</b> 0.9	<b>14,944</b> 5.1	<b>15,649</b> 4.7	<b>16,683</b> 6.6
<b>7. Wholesale &amp; Retail Trade</b>	<b>23,573</b> 1.3	<b>24,452</b> 3.7	<b>26,463</b> 8.2	<b>27,374</b> 3.4	<b>28,038</b> 2.4
<b>8. Finance, Insurance and Real Estate</b>	<b>31,386</b> -0.5	<b>32,078</b> 2.2	<b>32,559</b> 1.5	<b>32,987</b> 1.3	<b>34,312</b> 4.0
<b>9. Community, Business and Personal Services</b>	<b>46,938</b> 0.3	<b>47,360</b> 0.9	<b>48,030</b> 1.4	<b>49,237</b> 2.5	<b>49,724</b> 1.0
<b>10. Government Services</b>	<b>12,437</b> 1.5	<b>12,392</b> -0.4	<b>12,285</b> -0.9	<b>12,104</b> -1.5	<b>11,359</b> -6.2
<b>11. Services Producing Industries</b>	<b>128,431</b> 0.5	<b>130,499</b> 1.6	<b>134,280</b> 2.9	<b>137,351</b> 2.3	<b>140,115</b> 2.0
<b>12. Miscellaneous Industries</b>	<b>1,327</b>	<b>1,240</b>	<b>1,346</b>	<b>1,945</b>	<b>2,460</b>
<b>13. Total Production (86\$) at Factor Cost</b>	<b>194,987</b> 0.3	<b>198,142</b> 1.6	<b>206,681</b> 4.3	<b>213,168</b> 3.1	<b>217,098</b> 1.8
<b>14. Indirect Taxes Less Subsidies plus Miscellaneous Adjustments</b>	<b>29,343</b>	<b>28,813</b>	<b>31,072</b>	<b>32,103</b>	<b>33,200</b>
<b>15. Gross Domestic Product (1986\$) at Market Prices</b>	<b>224,330</b> 1.0	<b>226,954</b> 1.2	<b>237,754</b> 4.8	<b>245,271</b> 3.2	<b>250,298</b> 2.0

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

# ONTARIO ECONOMIC ACCOUNTS

## First Quarter of 1997

CADON  
TR 17  
-B75



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Ministry of Finance  
Office of Economic Policy  
Macroeconomic Analysis and Policy Branch  
July, 1997

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## FIRST QUARTER HIGHLIGHTS

- Ontario real GDP increased by 1.5% in the first quarter of 1997, (6.3% at annualized rates) more than double the 0.6% growth in the fourth quarter of 1996.
- First quarter growth was driven by the export sector, which rebounded by 8.5%, more than recovering from the impact of an auto strike-related 4.5% export decline in 1996:4.
- Households continued to increase spending in 1997:I, with spending up for both consumer goods and services, and housing.
- Business plant and equipment investment continued to expand, reflecting increased Ontario corporation profits and record levels of business confidence. Machinery and equipment investment rose 3.2%, as firms spent more on industrial machinery, computers and transportation equipment.
- Household after-tax income rose 0.5% in the first quarter, up for the third straight quarter. Labour income, the largest component of disposable income, recorded its strongest back-to-back quarterly gains since mid-1989.

## OVERVIEW: Ontario Economy Accelerates in First Quarter of 1997

The Ontario economy accelerated strongly in the first quarter of 1997 (January-March), with real GDP rising by 1.5%. Growth was almost double the national GDP growth rate of 0.8%.

Robust economic activity in 1997:I was propelled by exports, which rebounded from the strike constrained levels of the fourth quarter of 1996. Exports were also fuelled by strong U.S. demand for Ontario manufactured goods. In the United States, real GDP rose 1.4% (5.9% at annual rates) in 1997:I, the fastest growth since late 1987.

The domestic side of the Ontario economy remained buoyant with quarterly growth of 1.0%. Households increased spending on consumer goods and services, notably autos, while the housing market remained vigorous. Businesses also increased machinery and equipment investment. The increase in investment reflected record levels of business

confidence.

On an industry basis, GDP growth was widespread, led by the transportation equipment sector. Solid performances were also recorded in construction, wholesale and retail trade, and transportation, storage and communications sectors.

### **Revisions to the Ontario Economic Accounts**

In keeping with standard practice, the Ontario Economic Accounts have been revised for the 1992-1996 period, to incorporate the May 1997 revision of Statistics Canada's *Provincial Economic Accounts*.

For the year 1996, Ontario real GDP was revised down from 2.0% to 1.3% growth. For 1995, real GDP was revised up from 3.2% to 3.5%. In current dollars, 1996 GDP growth was revised down from 3.3% to 2.8%.

**QUARTERLY ONTARIO KEY ECONOMIC INDICATORS**  
 (% change from previous period)

	1995	1996	1996:2	1996:3	1996:4	1997:1
<b>Real GDP (1986\$)</b>	3.5	1.3	0.1	0.6	0.6	1.5
Personal spending	1.3	1.8	0.4	0.5	1.3	0.7
Government spending	0.6	-3.3	0.0	-2.2	-0.2	0.0
Residential construction	-15.3	13.5	9.7	5.3	7.6	2.8
Non-residential construction	-4.5	6.7	2.0	1.5	2.8	-0.1
Machinery & equipment	14.2	13.2	0.3	8.3	6.8	3.2
Exports	12.2	3.3	0.6	-1.0	-4.5	8.5
Imports	10.5	3.0	0.1	0.5	-1.7	7.2
<b>Nominal GDP (Current\$)</b>	4.4	2.8	0.2	1.2	1.4	1.9
Corporation profits	15.8	0.1	-0.6	6.8	0.0	8.7
Personal income	3.2	1.5	0.2	0.2	1.1	0.8
Personal disposable income	2.5	0.0	-0.6	0.2	0.9	0.5
<b>Prices</b>						
GDP deflator	0.8	1.5	0.2	0.6	0.8	0.4
Consumer Price Index (Y/Y%)	2.4	1.6	1.3	1.3	2.2	2.4

## Household Sector Gains Momentum

Ontario households increased spending on consumer goods and services, and housing, bolstered by strong labour income gains and strengthening consumer confidence.

Real consumer spending rose 0.7% in the first quarter, up for the fifth consecutive quarter. Spending occurred in both goods and services, particularly autos. Within services, the most noticeable increases took place in financial services and energy.

The increase in spending was supported by a 0.5% rise in **after-tax income** in 1997:I. Labour income, the largest component of disposable income, rose 1.5% registering the best back-to-back quarterly growth since mid-1989.

Ontario households have become steadily more optimistic about economic conditions. The Conference Board of Canada reported consumer confidence rose by 23.2% from the end of 1995 to 1997:I. In the second quarter (April-June), confidence jumped sharply by 10.6% over 1997:I, to reach its highest level in more than eight years.

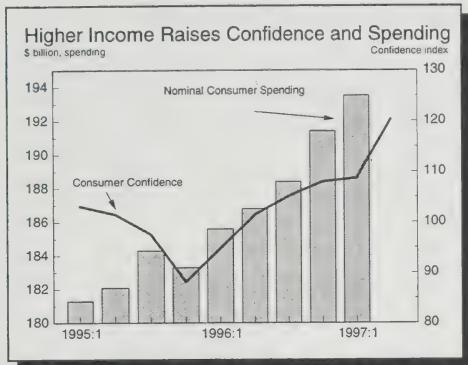
With nominal consumer spending rising faster than after-tax income, the Ontario **savings rate** fell from 4.5% in 1996:4 to 4.0% in 1997:I.

In the **housing market**, real residential construction recorded its fifth straight solid gain, rising 2.8%. The increase was concentrated in new construction and home renovations.

## Strength In Business Investment Continues

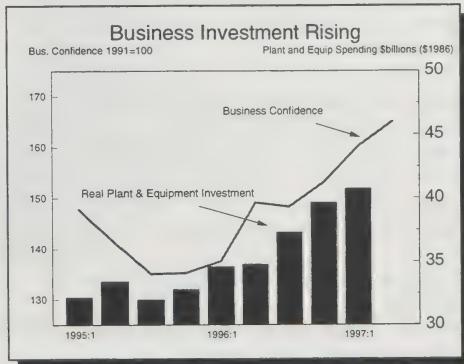
Encouraged by higher profits, growing foreign and domestic demand, and favourable financing conditions, firms continued to raise plant and equipment investment.

Real **plant and equipment investment** rose 2.8% in 1997:I, following a 6.2% increase in 1996:4. Machinery and equipment spending



### Ontario Housing Indicators, 1997 (Year-to-Date % Growth)

	Jan-May
Housing starts	+48.1
Home resales	+13.7
Building permits	+34.7
New Home sales (Toronto)	+60.2



rose 3.2%, led by increased demand for computers, industrial machinery, and transportation equipment. Non-residential construction was unchanged during the quarter.

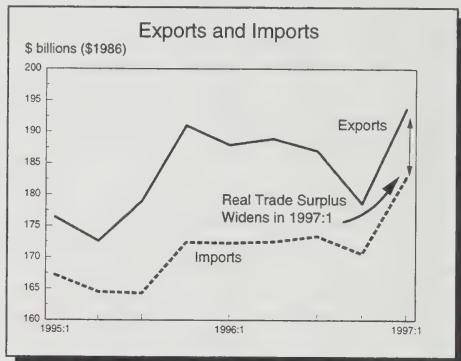
Corporation profits in Ontario rose solidly by 8.7% in the first quarter, with increases led by the motor vehicle, communications, and food and beverage sectors.

## Exports Propel Economy

Ontario real exports, (which include both international and interprovincial exports) rose 8.5% in 1997:1, more than recovering from a 4.5% decline in the fourth quarter, when exports were curtailed by labour disputes in the auto sector. At the national level, total real exports of cars, trucks and parts jumped by 23.9%, following a 17.1% decline in 1996:4. Other Canadian exports important to Ontario, such as precious metals and alloys, computers, and chemicals also increased during the quarter.

Imports to Ontario also increased strongly in 1997:1, rising 7.2%. Growth was concentrated in motor vehicles, parts and accessories, computers, and other machinery and equipment.

With real exports rising faster than imports the real trade balance improved by \$2.8 billion, reaching a level of \$10.9 billion (1986\$).

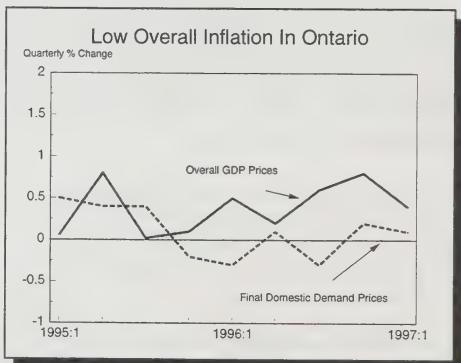


## Inflation Remains Low in 1997:1

The aggregate price level, as measured by the **GDP price deflator**, rose 0.4% during the quarter, lower than the 0.8% rise in 1996:4. This followed a 1.5% increase for all of 1996.

Prices for consumer services rose 0.9% with higher prices reported for communications, recreational services and financial services. Goods prices were unchanged. Prices for residential construction were little changed.

Machinery and equipment prices continued their downward trend, declining 0.8% in 1997:1. Falling prices for information technology were a key factor.



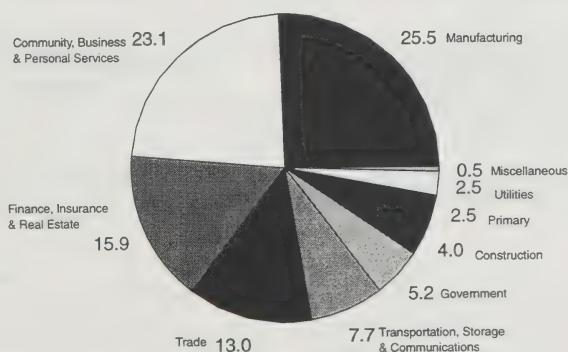
**OUTPUT GROWTH BY MAJOR SECTOR**

(% change from previous period)

	1995	1996	1996:2	1996:3	1996:4	1997:1
<b>Goods Sector</b>	<b>4.2</b>	<b>0.4</b>	<b>0.5</b>	<b>1.3</b>	<b>-0.6</b>	<b>2.0</b>
Primary Industries	2.4	1.4	-1.8	0.2	0.6	-1.0
Manufacturing	6.7	0.6	0.5	1.1	-0.8	2.3
Construction	-5.5	-0.7	3.0	3.7	-1.9	3.1
Utilities	-1.1	-0.5	-0.9	-0.4	2.6	0.3
<b>Service Sector</b>	<b>2.0</b>	<b>2.3</b>	<b>0.9</b>	<b>1.1</b>	<b>1.6</b>	<b>1.3</b>
Transportation, Storage and Communications	4.3	5.7	2.8	2.8	0.1	2.8
Wholesale and Retail Trade	3.0	3.2	1.0	2.7	2.0	2.6
Finance, Insurance and Real Estate	1.0	4.0	1.1	0.4	3.0	0.3
Community, Business and Personal Services	2.3	1.4	-0.4	0.5	1.2	1.1
Government	-1.5	-5.2	3.2	-1.0	0.1	-0.4

**Industrial Structure of Ontario Economy, 1996**

% share



## BROADLY BASED GROWTH LED BY AUTO SECTOR

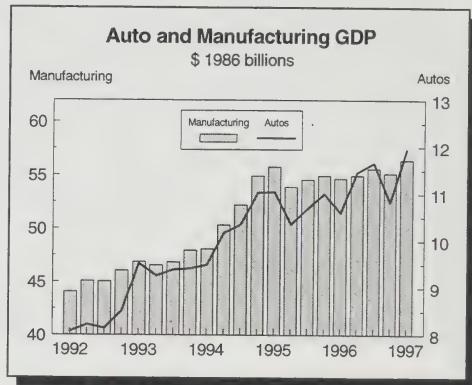
On an industry basis, total real production *at factor cost* in Ontario rose by 1.5% in 1997:1. This was the same rate of increase as measured at market prices. Strong growth occurred in manufacturing, construction, transportation, communications and storage, and wholesale and retail trade.

### Rebounding Auto Sector Leads Goods Producing Sector

Manufacturing output rose 2.3% in the first quarter of 1997, led by a sharp rise in auto production.

Auto production increased by 10.3%, more than recovering from a strike-related fourth quarter decline of 7.1%. Cars and auto parts production experienced strong first quarter growth of 15.7% and 7.9% respectively. U.S. auto sales which rose 4.1% from the fourth quarter, helped fuel this strong production growth.

Within manufacturing, rubber, clothing, wood, paper, printing, fabricated metals, machinery, and chemicals also achieved strong first quarter growth.



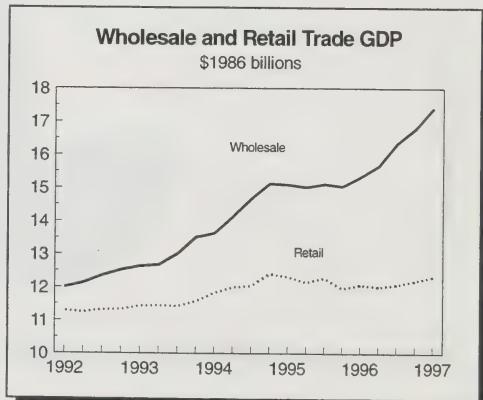
Construction activity rose 3.1% in the first quarter, mirroring the continued strength in the housing market.

### Strength in Wholesale Trade Continues

Wholesale and retail trade activity rose 2.6% in the first quarter of 1997, the third consecutive quarter of 2.0% growth or better.

At the wholesale level, recent trends of exceptional growth continued with activity increasing by 3.7% in 1997:1.

In the retail segment of the market, activity rose by 1.1%, after a 0.9% rise in the previous quarter. Since the second quarter of 1996, growth in retail trade has been steadily increasing.



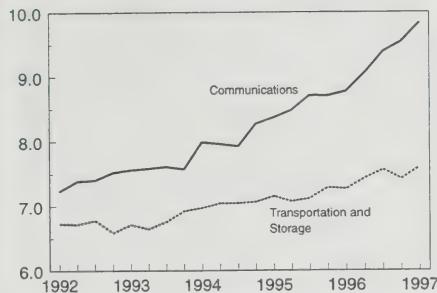
## Rapid Growth in Communications Continues

Total output in the **transportation, storage and communications** sector advanced 2.8% in 1997:I, rebounding from a modest fourth quarter 0.1% rise. Both the communications, and transportation and storage industries recorded a strong rise in activity.

The communications industry continued expand with growth of 3.0% in the first quarter. This followed strong growth for all of 1996, where output grew 7.3%. Transportation and storage activity was up by 2.5% in the first quarter.

**Transportation, Storage and Communications GDP**

\$1986 billions



## High Output Levels Maintained in Finance and Real Estate Industries

The **finance, insurance and real estate** sector rose by 0.3%, after rising 3.0% in the final quarter of 1996. Intense fourth quarter growth in house resales and stock market activity moderated in the first quarter of 1997.

Strong growth in the banking sector was offset by declines in real estate commissions and brokerage firm activity.

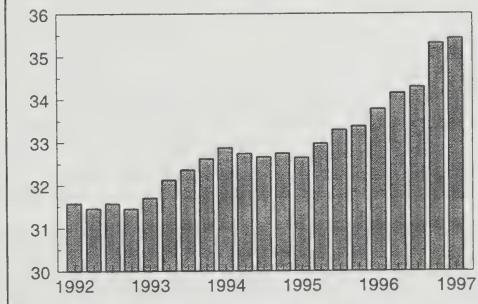
## Steady Growth in Community, Business and Personal Services

**Community Business and Personal Services** rose 1.1% in 1997:I, nearly matching its 1.2% performance in the previous quarter.

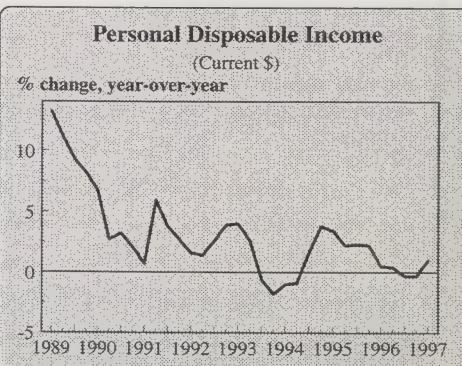
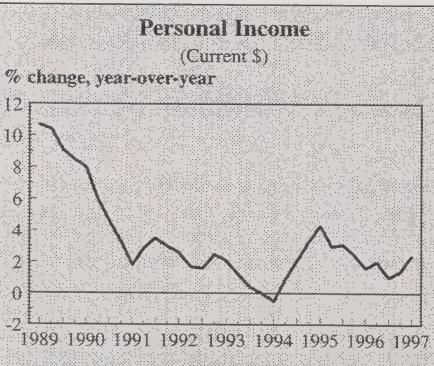
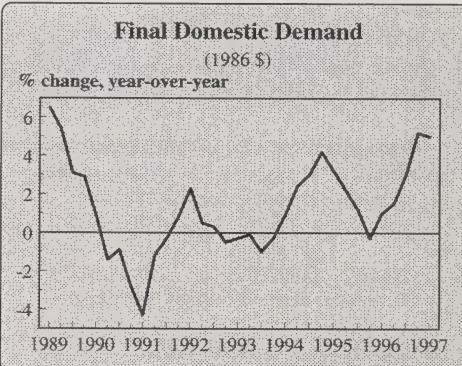
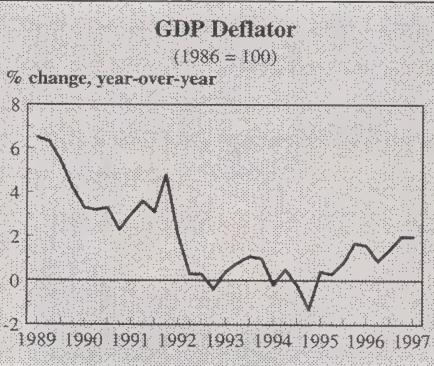
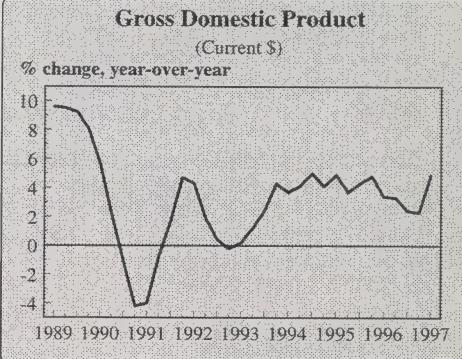
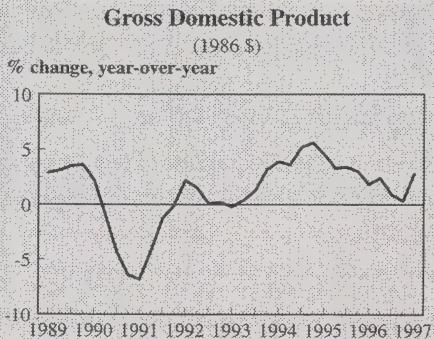
Business services, and amusement and recreation activity both advanced strongly.

**Finance, Insurance and Real Estate GDP**

\$1986 billions



# Ontario Economic Accounts: Summary (1989:1 - 1997:1)

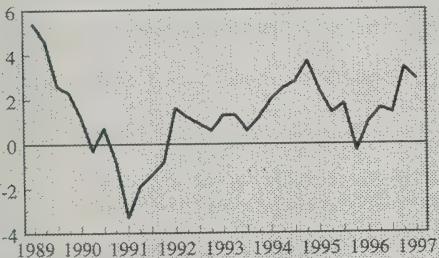


# Ontario Economic Accounts: Summary (1989:1 - 1997:1)

## Consumer Spending

(1986 \$)

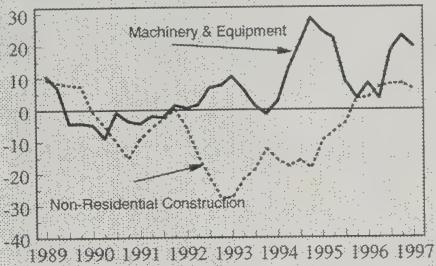
% change, year-over-year



## Business Plant & Equipment

(1986 \$)

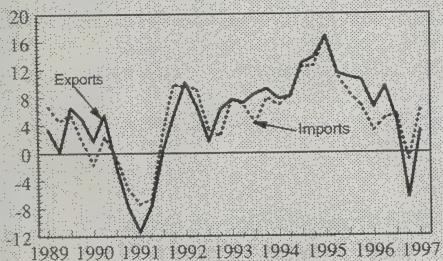
% change, year-over-year



## Trade

(1986 \$)

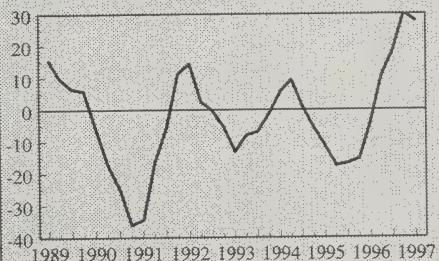
% change, year-over-year



## Residential Construction

(1986 \$)

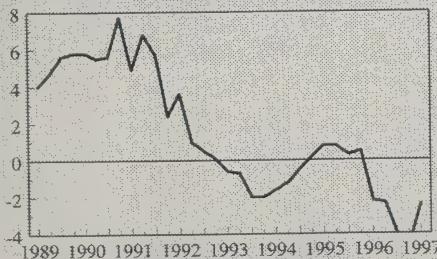
% change, year-over-year



## Government Spending

(1986 \$)

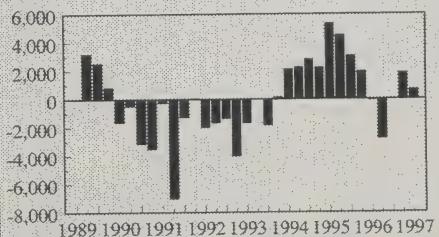
% change, year-over-year



## Change in Inventories

(1986 \$)

millions





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**ONTARIO GROSS DOMESTIC PRODUCT, (INCOME BASED)**  
(\$ millions, seasonally adjusted at annual rates)

TABLE 1

	1994				1995				
	I	II	III	IV	I	II	III	IV	
	164,547 -0.4	167,181 1.6	168,666 0.9	170,943 1.3	171,804 0.5	171,024 -0.5	173,903 1.7	176,137 1.3	
1. Wages, salaries and supplementary labour income (domestic basis)									
2. Military pay and allowances	1,405 2.5	1,429 1.7	1,394 -2.4	1,396 0.1	1,414 1.3	1,457 3.0	1,406 -3.5	1,428 1.6	
3. Corporation profits before taxes	24,092 5.2	24,799 2.9	24,210 -2.4	24,874 2.7	26,189 5.3	26,496 1.2	29,511 11.4	31,236 5.8	
4. Interest and miscellaneous investment income	14,737 2.9	15,863 7.6	16,346 3.0	15,610 -4.5	16,649 6.7	16,047 -3.6	15,940 -0.7	15,999 0.4	
5. Accrued net income of farm operators from farm production	219 -41.9	168 -23.3	122 -27.4	27 -77.9	19 -29.6	86 352.6	147 70.9	237 61.2	
6. Net income of non-farm unincorporated business including rent	16,888 -1.5	16,916 0.2	16,929 0.1	16,822 -0.6	16,960 0.8	17,078 0.7	17,239 0.9	17,428 1.1	
7. Inventory valuation adjustment	-2,615	-3,381	-2,189	-2,572	-3,769	-1,479	-986	-593	
8. Net Domestic Income at factor cost	219,273 -0.5	222,975 1.7	225,478 1.1	227,100 0.7	229,266 1.0	230,709 0.6	237,160 2.8	241,872 2.0	
9. Indirect taxes less subsidies	39,515 1.4	39,690 0.4	40,910 3.1	41,753 2.1	41,370 -0.9	41,113 -0.6	40,858 -0.6	40,510 -0.9	
10. Capital consumption allowances and miscellaneous valuation adjustments	35,673 1.7	36,202 1.5	37,069 2.4	37,668 1.6	38,217 1.5	38,002 -0.6	38,498 1.3	38,734 0.6	
11. Gross Domestic Product at market prices	294,461 0.0	298,867 1.5	303,457 1.5	306,521 1.0	308,853 0.8	309,824 0.3	316,516 2.2	321,116 1.5	
	*	0.2	6.1	6.3	4.1	3.1	1.3	8.9	5.9

Notes : Per cent change from previous quarter at quarterly rates is given on the second line.

\* Annualized per cent change from previous quarter.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

## ONTARIO GROSS DOMESTIC PRODUCT, (INCOME BASED)

(\$ millions, seasonally adjusted at annual rates)

TABLE 1

	1996				1997			
	I	II	III	IV	I	II	III	IV
1. Wages, salaries and supplementary labour income (domestic basis)	176,320 0.1	177,311 0.6	178,859 0.9	182,147 1.8	184,892 1.5			
2. Military pay and allowances	1,265 -11.4	1,240 -2.0	1,212 -2.3	1,183 -2.4	1,110 -6.2			
3. Corporation profits before taxes	27,589 -11.7	27,419 -0.6	29,282 6.8	29,286 0.0	31,832 8.7			
4. Interest and miscellaneous investment income	15,309 -4.3	15,073 -1.5	14,878 -1.3	14,556 -2.2	14,405 -1.0			
5. Accrued net income of farm operators from farm production	-151 -163.7	-209 38.4	-124 -40.7	84 -167.7	74 -11.9			
6. Net income of non-farm unincorporated business including rent	17,470 0.2	17,693 1.3	17,787 0.5	17,878 0.5	18,053 1.0			
7. Inventory valuation adjustment	872	-636	-1,544	-516	-91			
8. Net Domestic Income at factor cost	238,674 -1.3	237,891 -0.3	240,350 1.0	244,618 1.8	250,275 2.3			
9. Indirect taxes less subsidies	41,572 2.6	42,061 1.2	43,160 2.6	43,638 1.1	44,289 1.5			
10. Capital consumption allowances and miscellaneous valuation adjustments	39,122 1.0	40,183 2.7	40,550 0.9	40,289 -0.6	40,371 0.2			
11. Gross Domestic Product at market prices	319,368 -0.5	320,135 0.2	324,060 1.2	328,545 1.4	334,935 1.9			
	*	-2.2	1.0	5.0	5.7	8.0		

notes : Per cent change from previous quarter at quarterly rates is given on the second line.

\* Annualized per cent change from previous quarter.

sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT, (EXPENDITURE BASED)**

(\$ millions, seasonally adjusted at annual rates)

TABLE

	1994				1995			
	I	II	III	IV	I	II	III	IV
	175,178	176,346	177,472	180,203	181,348	182,124	184,252	183,314
1. Personal expenditure on consumer goods and services:	0.8	0.7	0.6	1.5	0.6	0.4	1.2	-0.5
2. Goods	81,652	81,823	82,308	84,160	84,745	84,441	85,178	83,444
	0.9	0.2	0.6	2.3	0.7	-0.4	0.9	-2.0
3. Services	93,526	94,523	95,164	96,043	96,603	97,683	99,074	99,886
	0.8	1.1	0.7	0.9	0.6	1.1	1.4	0.0
4. Government expenditure on goods and services:	63,375	63,399	63,128	63,151	63,752	63,973	63,628	64,031
	-0.3	0.0	-0.4	0.0	1.0	0.3	-0.5	0.0
5. Current expenditure	58,208	57,784	56,967	56,322	57,075	57,507	57,121	57,571
	-0.9	-0.7	-1.4	-1.1	1.3	0.8	-0.7	0.0
6. Capital expenditure	5,167	5,615	6,161	6,829	6,677	6,466	6,507	6,451
	6.8	8.7	9.7	10.8	-2.2	-3.2	0.6	-0.0
7. Business gross fixed capital formation:	40,091	41,341	41,638	42,007	41,258	41,879	40,202	40,071
	0.2	3.1	0.7	0.9	-1.8	1.5	-4.0	-0.0
8. Residential construction	15,286	15,825	15,432	15,009	13,717	13,110	13,116	12,681
	-0.8	3.5	-2.5	-2.7	-8.6	-4.4	0.0	-3.0
9. Non-residential construction	6,657	6,483	6,406	6,147	6,279	6,207	6,298	6,472
	-7.1	-2.6	-1.2	-4.0	2.1	-1.1	1.5	2.0
10. Machinery and equipment	18,148	19,033	19,800	20,851	21,262	22,562	20,788	20,840
	4.1	4.9	4.0	5.3	2.0	6.1	-7.9	0.0
11. Exports of goods and services	163,510	174,454	180,524	191,760	198,601	194,363	199,548	213,206
	-1.3	6.7	3.5	6.2	3.6	-2.1	2.7	6.0
12. DEDUCT: Imports of goods and services	147,865	157,035	159,370	169,394	178,605	175,338	172,598	179,674
	0.5	6.2	1.5	6.3	5.4	-1.8	-1.6	4.0
13. Value of physical change in inventories:	1,855	1,075	1,723	796	4,415	4,574	3,113	2,111
14. Non-farm	1,752	1,039	1,755	994	4,584	4,585	3,104	2,208
15. Farm and grain in commercial channels	103	36	-32	-198	-169	-11	9	-12
16. Statistical discrepancy	-1,683	-713	-1,658	-2,002	-1,916	-1,751	-1,629	-1,942
17. Gross Domestic Product at market prices	294,461	298,867	303,457	306,521	308,853	309,824	316,516	321,111
	0.0	1.5	1.5	1.0	0.8	0.3	2.2	1.0
18. Gross Domestic Product at 1986 prices	233,037	234,538	238,916	243,153	243,481	242,298	247,130	250,301
	1.2	0.6	1.9	1.8	0.1	-0.5	2.0	1.0
*	4.8	2.6	7.7	7.3	0.5	-1.9	8.2	5.0

Notes: Per cent change from previous quarter at quarterly rates is given on the second line.

\* Annualized per cent change from previous quarter.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT, (EXPENDITURE BASED)**

\$ millions, seasonally adjusted at annual rates)

TABLE 2

	1996				1997			
	I	II	III	IV	I	II	III	IV
1. Personal expenditure on consumer goods and services:	185,600	186,810	188,356	191,350	193,540			
	1.2	0.7	0.8	1.6	1.1			
2. Goods	84,599	85,510	86,175	88,224	88,713			
	1.4	1.1	0.8	2.4	0.6			
3. Services	101,001	101,300	102,181	103,126	104,827			
	1.1	0.3	0.9	0.9	1.6			
4. Government expenditure on goods and services:	62,219	62,007	60,357	60,072	60,084			
	-2.8	-0.3	-2.7	-0.5	0.0			
5. Current expenditure	56,046	56,307	55,132	55,078	55,164			
	-2.7	0.5	-2.1	-0.1	0.2			
6. Capital expenditure	6,173	5,700	5,225	4,994	4,920			
	-4.4	-7.7	-8.3	-4.4	-1.5			
7. Business gross fixed capital formation:	41,995	43,248	45,746	48,517	49,635			
	5.0	3.0	5.8	6.1	2.3			
8. Residential construction	13,303	14,628	15,432	16,698	17,186			
	4.8	10.0	5.5	8.2	2.9			
9. Non-residential construction	6,567	6,767	6,921	7,114	7,155			
	1.4	3.0	2.3	2.8	0.6			
10. Machinery and equipment	22,125	21,853	23,393	24,705	25,294			
	6.1	-1.2	7.0	5.6	2.4			
11. Exports of goods and services	213,059	214,767	215,235	206,423	221,776			
	-0.1	0.8	0.2	-4.1	7.4			
12. DEDUCT: Imports of goods and services	181,641	182,114	183,766	180,014	190,822			
	1.1	0.3	0.9	-2.0	6.0			
13. Value of physical change in inventories:	-234	-1,966	-183	2,814	942			
14. Non-farm	-28	-1,820	-36	3,128	814			
15. Farm and grain in commercial channels	-206	-146	-147	-314	128			
16. Statistical discrepancy	-1,630	-2,617	-1,685	-617	-220			
17. Gross Domestic Product at market prices	319,368	320,135	324,060	328,545	334,935			
	-0.5	0.2	1.2	1.4	1.9			
18. Gross Domestic Product at 1986 prices	247,855	248,036	249,471	251,030	254,864			
	-1.0	0.1	0.6	0.6	1.5			
*	-3.9	0.3	2.3	2.5	6.3			

Notes: Per cent change from previous quarter at quarterly rates is given on the second line.

\* Annualized per change from previous quarter.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT AT 1986 PRICES**

(\$ millions, seasonally adjusted at annual rates)

TABLE

	1994				1995			
	I	II	III	IV	I	II	III	IV
	135,328	136,312	136,730	138,722	138,538	138,178	139,230	138,312
1. Personal expenditure on consumer goods and services	1.2	0.7	0.3	1.5	-0.1	-0.3	0.8	-0.2
2. Goods	65,689	66,523	66,795	68,146	68,124	67,445	67,902	66,730
	2.0	1.3	0.4	2.0	0.0	-1.0	0.7	-1.0
3. Services	69,639	69,789	69,935	70,576	70,414	70,733	71,328	71,582
	0.5	0.2	0.2	0.9	-0.2	0.5	0.8	0.0
4. Government expenditure on goods and services:	49,692	49,759	49,790	49,847	50,102	50,163	49,938	50,112
	-0.1	0.1	0.1	0.1	0.5	0.1	-0.4	0.0
5. Current expenditure	44,332	43,976	43,510	42,928	43,383	43,665	43,372	43,542
	-0.9	-0.8	-1.1	-1.3	1.1	0.7	-0.7	0.0
6. Capital expenditure	5,360	5,783	6,280	6,919	6,719	6,498	6,566	6,540
	6.6	7.9	8.6	10.2	-2.9	-3.3	1.0	0.0
7. Business gross fixed capital formation:	38,818	40,345	41,413	42,695	42,345	43,122	41,518	42,118
	0.8	3.9	2.6	3.1	-0.8	1.8	-3.7	1.1
8. Residential construction	11,450	11,748	11,440	11,011	10,160	9,690	9,518	9,338
	-1.8	2.6	-2.6	-3.7	-7.7	-4.6	-1.8	-2.0
9. Non-residential construction	5,530	5,301	5,183	4,918	4,996	4,934	4,967	5,000
	-8.2	-4.1	-2.2	-5.1	1.6	-1.2	0.7	2.0
10. Machinery and equipment	21,838	23,296	24,790	26,766	27,189	28,498	27,033	27,778
	4.9	6.7	6.4	8.0	1.6	4.8	-5.1	2.0
11. Exports of goods and services	151,097	154,933	161,470	173,069	176,356	172,614	178,967	191,066
	-0.7	2.5	4.2	7.2	1.9	-2.1	3.7	6.0
12. DEDUCT: Imports of goods and services	143,419	148,152	151,445	161,790	167,225	164,479	164,332	172,444
	-0.3	3.3	2.2	6.8	3.4	-1.6	-0.1	4.0
13. Value of physical change in inventories:	2,087	2,235	2,784	2,220	5,302	4,494	3,022	1,980
14. Non-farm	1,860	2,207	2,764	2,127	5,227	4,520	3,017	2,000
15. Farm and grain in commercial channels	227	28	20	93	73	-26	5	-1
16. Statistical discrepancy	-566	-894	-1,826	-1,610	-1,937	-1,794	-1,213	-7
17. Gross Domestic Product at 1986 prices	233,037	234,538	238,916	243,153	243,481	242,298	247,130	250,300
	1.2	0.6	1.9	1.8	0.1	-0.5	2.0	1
*	4.8	2.6	7.7	7.3	0.5	-1.9	8.2	5
18. Final domestic demand	223,838	226,416	227,933	231,264	230,985	231,463	230,686	230,500
	0.8	1.2	0.7	1.5	-0.1	0.2	-0.3	0

Notes: Per cent change from previous quarter at quarterly rates is given on the second line.

\* Annualized per cent change from previous quarter.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT AT 1986 PRICES**

(\$ millions, seasonally adjusted at annual rates)

TABLE 3

	1996				1997			
			I	II	III	IV	I	II
								IV
1. Personal expenditure on consumer goods and services	139,919	140,450	141,167	142,972	143,936			
	1.2	0.4	0.5	1.3	0.7			
2. Goods	67,516	67,838	68,284	69,468	69,853			
	1.2	0.5	0.7	1.7	0.6			
3. Services	72,403	72,612	72,883	73,504	74,083			
	1.1	0.3	0.4	0.9	0.8			
4. Government expenditure on goods and services:	49,017	49,013	47,917	47,816	47,817			
	-2.2	0.0	-2.2	-0.2	0.0			
5. Current expenditure	42,492	42,871	42,118	42,141	42,175			
	-2.4	0.9	-1.8	0.1	0.1			
6. Capital expenditure	6,525	6,142	5,799	5,675	5,642			
	-1.1	-5.9	-5.6	-2.1	-0.6			
7. Business gross fixed capital formation:	44,368	45,503	48,600	51,771	53,212			
	5.3	2.6	6.8	6.5	2.8			
8. Residential construction	9,767	10,717	11,281	12,138	12,480			
	4.8	9.7	5.3	7.6	2.8			
9. Non-residential construction	5,179	5,283	5,361	5,510	5,504			
	1.6	2.0	1.5	2.8	-0.1			
10. Machinery and equipment	29,422	29,503	31,958	34,123	35,228			
	6.1	0.3	8.3	6.8	3.2			
11. Exports of goods and services	187,883	188,944	186,998	178,567	193,691			
	-1.7	0.6	-1.0	-4.5	8.5			
12. DEDUCT: Imports of goods and services	172,335	172,456	173,364	170,457	182,780			
	-0.1	0.1	0.5	-1.7	7.2			
13. Value of physical change in inventories:	-38	-2,777	-8	1,818	632			
14. Non-farm	10	-2,729	19	1,900	597			
15. Farm and grain in commercial channels	-48	-48	-27	-82	35			
16. Statistical discrepancy	-959	-641	-1,839	-1,457	-1,644			
17. Gross Domestic Product at 1986 prices	247,855	248,036	249,471	251,030	254,864			
	-1.0	0.1	0.6	0.6	1.5			
*	-3.9	0.3	2.3	2.5	6.3			
18. Final domestic demand	233,304	234,966	237,684	242,559	244,965			
	1.2	0.7	1.2	2.1	1.0			

Notes: Per cent change from previous quarter at quarterly rates is given on the second line.

\* Annualized per cent change from previous quarter.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**SOURCES AND DISPOSITION OF ONTARIO PERSONAL INCOME**

(\$ millions, seasonally adjusted at annual rates)

TABLE

	1994								1995																			
	I				II				III				IV				I				II							
	162,382	164,102	165,801	168,070	168,940	168,180	170,987	173,100	0.5	-0.4	1.7	1.1	1,405	1,429	1,394	1,396	1,414	1,457	1,406	1,421	2.5	1.7	-2.4	0.1	1.3	3.0	-3.5	1.1
1. Wages, salaries and supplementary labour income (national basis)																												
2. Add: Military pay and allowances	1,405	1,429	1,394	1,396	1,414	1,457	1,406	1,421	2.5	1.7	-2.4	0.1	1,405	1,429	1,394	1,396	1,414	1,457	1,406	1,421	2.5	1.7	-2.4	0.1	1.3	3.0	-3.5	1.1
3. Net income of farm operators from farm production	92	105	161	130	85	117	104	100	-79.9	14.1	53.3	-19.3	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
4. Net income of non-farm unincorporated business including rent	16,888	16,916	16,929	16,822	16,960	17,078	17,239	17,400	-1.5	0.2	0.1	-0.6	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	
5. Interest, dividends and miscellaneous investment income	30,824	31,533	32,551	33,188	34,074	34,976	35,400	35,400	-0.2	2.3	3.2	2.0	2.7	2.6	1.2	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	
6. Current transfers from government, corporations and non-residents	40,794	41,173	41,410	41,864	41,800	41,036	41,043	40,440	0.3	0.9	0.6	1.1	-0.2	-1.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
7. Equals: Personal income	252,385	255,258	258,246	261,470	263,273	262,844	266,179	268,000	-0.3	1.1	1.2	1.2	0.7	-0.2	1.3	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6		
8. Deduct: Personal direct taxes	57,049	58,417	59,817	60,705	60,777	61,631	63,333	63,400	-5.4	2.4	2.4	1.5	0.1	1.4	2.8	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6		
9. Other current transfers to government	770	936	1,124	1,346	1,272	1,064	934	834	5.9	21.6	20.1	19.8	-5.5	-16.4	-12.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
10. Equals: Personal disposable income	194,566	195,905	197,305	199,419	201,224	200,149	201,912	203,700	1.2	0.7	0.7	1.1	0.9	-0.5	0.9	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6		
11. Deduct: Personal expenditure on consumer goods and services	175,178	176,346	177,472	180,203	181,348	182,124	184,252	183,300	0.8	0.7	0.6	1.5	0.6	0.4	1.2	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6		
12. Current transfers to corporations	1,690	1,692	2,034	2,004	2,272	2,587	2,684	2,684	-9.5	0.1	20.2	-1.5	13.4	13.9	3.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
13. Current transfers to non-residents	386	386	390	390	406	407	410	410	5.2	0.0	1.0	0.0	4.1	0.2	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
14. Equals: Personal saving	17,312	17,481	17,409	16,822	17,198	15,031	14,566	17,400	6.7	1.0	-0.4	-3.4	2.2	-12.6	-3.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1		
15. Personal savings rate	8.9	8.9	8.8	8.4	8.5	7.5	7.2	7.2																				

Note: Per cent change from previous quarter at quarterly rates is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**SOURCES AND DISPOSITION OF ONTARIO PERSONAL INCOME**

\$ millions, seasonally adjusted at annual rates)

TABLE 4

	1996					1997						
	I		II		III		IV		I	II	III	IV
	173,354	174,323	175,839	179,105	181,804	0.1	0.6	0.9	1.9	1.5		
1. Wages, salaries and supplementary labour income (national basis)												
	1,265	1,240	1,212	1,183	1,110	-11.4	-2.0	-2.3	-2.4	-6.2		
3.	Net income of farm operators from farm production	-73	-108	-98	-57	-169.5	47.9	-9.3	-41.8	-16.8		
4.	Net income of non-farm unincorporated business including rent	17,470	17,693	17,787	17,878	18,053	0.2	1.3	0.5	0.5	1.0	
5.	Interest, dividends and miscellaneous investment income	34,679	34,199	33,712	33,100	32,849	-2.3	-1.4	-1.4	-1.8	-0.8	
6.	Current transfers from government, corporations and non-residents	40,902	40,750	40,285	40,489	40,153	1.2	-0.4	-1.1	0.5	-0.8	
7.	Equals: Personal income	267,597	268,097	268,737	271,698	273,922	-0.2	0.2	0.2	1.1	0.8	
8.	Deduct: Personal direct taxes	64,535	66,243	66,438	67,387	68,564	1.7	2.6	0.3	1.4	1.7	
9.	Other current transfers to government	902	989	1,068	1,172	1,174	11.4	9.6	8.0	9.7	0.2	
10.	Equals: Personal disposable income	202,160	200,865	201,231	203,139	204,184	-0.8	-0.6	0.2	0.9	0.5	
11.	Deduct: Personal expenditure on consumer goods and services	185,600	186,810	188,356	191,350	193,540	1.2	0.7	0.8	1.6	1.1	
12.	Current transfers to corporations	2,527	2,432	2,345	2,293	2,129	-4.8	-3.8	-3.6	-2.2	-7.2	
13.	Current transfers to non-residents	423	422	423	422	424	2.9	-0.2	0.2	-0.2	0.4	
14.	Equals: Personal saving	13,610	11,201	10,107	9,074	8,091	-21.8	-17.7	-9.8	-10.2	-10.8	
15.	Personal savings rate	6.7	5.6	5.0	4.5	4.0						

Note: Per cent change from previous quarter at quarterly rates is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO TRADE**  
(\$ millions, seasonally adjusted at annual rates)

TABLE 5

	1994				1995			
	I	II	III	IV	I	II	III	IV
1. Exports of Goods and Services	163,510	174,454	180,524	191,760	198,601	194,363	199,548	213,200
	-1.3	6.7	3.5	6.2	3.6	-2.1	2.7	6.8
2. Of Which : International	108,276	118,166	123,298	133,352	139,845	135,363	138,422	149,766
	-1.2	9.1	4.3	8.2	4.9	-3.2	2.3	8.2
3. Goods	92,918	102,256	107,656	117,150	122,847	118,361	121,016	130,468
	-1.2	10.0	5.3	8.8	4.9	-3.7	2.2	7.8
4. Services	15,358	15,910	15,642	16,202	16,998	17,002	17,406	19,298
	-0.8	3.6	-1.7	3.6	4.9	0.0	2.4	10.9
5. Of Which : Interprovincial goods and services	55,234	56,288	57,226	58,408	58,756	59,000	61,126	63,434
	-1.5	1.9	1.7	2.1	0.6	0.4	3.6	3.8
6. Imports of Goods and Services	147,865	157,035	159,370	169,394	178,605	175,338	172,598	179,670
	0.5	6.2	1.5	6.3	5.4	-1.8	-1.6	4.1
7. Trade Balance	15,645	17,419	21,154	22,366	19,986	19,025	26,950	33,530

Note: Per cent change from previous quarter at quarterly rates is given the second line.

Source: Office of Economic Policy, Ontario Ministry of Finance

**ONTARIO TRADE**  
*( $\$$  millions, seasonally adjusted at annual rates)*

TABLE 5

	1996				1997			
	I	II	III	IV	I	II	III	IV
1. Exports of Goods and Services	213,059	214,767	215,235	206,423	221,776			
	-0.1	0.8	0.2	-4.1	7.4			
2. Of Which: International	149,483	150,537	149,511	139,577	153,500			
	-0.2	0.7	-0.7	-6.6	10.0			
3. Goods	130,325	131,437	130,735	119,751	133,684			
	-0.1	0.9	-0.5	-8.4	11.6			
4. Services	19,158	19,100	18,776	19,826	19,816			
	-0.7	-0.3	-1.7	5.6	-0.1			
5. Of Which: Interprovincial goods and services	63,576	64,230	65,724	66,846	68,276			
	0.2	1.0	2.3	1.7	2.1			
6. Imports of Goods and Services	161,841	182,114	183,766	180,014	190,822			
	1.1	0.3	0.9	-2.0	6.0			
7. Trade Balance	31,418	32,633	31,469	26,409	30,954			

Note: Per cent change from previous quarter at quarterly rates is given the second line.

Source: Office of Economic Policy, Ontario Ministry of Finance

**RELATIONSHIP BETWEEN ONTARIO GROSS DOMESTIC PRODUCT  
AND ONTARIO GROSS PROVINCIAL PRODUCT**  
(\$ millions, seasonally adjusted at annual rates)

TABLE 6

	1994				1995			
	I	II	III	IV	I	II	III	IV
1. Gross Domestic Product at market prices	294,461	298,867	303,457	306,521	308,853	309,824	316,516	321,116
*      0.0      1.5      1.5      1.0      0.8      0.3      2.2      1.5	0.2      6.1      6.3      4.1      3.1      1.3      8.9      5.9							
2. Less: Investment income paid to non-residents	14,637	16,716	15,218	15,741	16,735	16,988	16,237	16,269
-0.1      14.2      -9.0      3.4      6.3      1.5      -4.4      0.2								
3. Plus: Investment income received from non-residents	6,098	6,999	7,004	7,976	8,208	8,281	8,190	8,706
-6.2      14.8      0.1      13.9      2.9      0.9      -1.1      6.3								
4. Equals: Gross Provincial Product at market prices	285,922	289,150	295,243	298,756	300,326	301,117	308,469	313,553
*      -0.1      1.1      2.1      1.2      0.5      0.3      2.4      1.6								
	-0.4      4.6      8.7      4.8      2.1      1.1      10.1      6.8							

Notes: \* Per cent change from previous quarter at quarterly rates is given on the second line.

\* Annualized per cent change from previous quarter.

Source: Office of Economic Policy, Ontario Ministry of Finance

**RELATIONSHIP BETWEEN ONTARIO GROSS DOMESTIC PRODUCT  
AND ONTARIO GROSS PROVINCIAL PRODUCT**  
(\$ millions, seasonally adjusted at annual rates)

TABLE 6

	1996				1997			
	I	II	III	IV	I	II	III	IV
1. Gross Domestic Product at market prices	319,368	320,135	324,060	328,545	334,935			
	* -0.5	0.2	1.2	1.4	1.9			
	-2.2	1.0	5.0	5.7	8.0			
2. Less: Investment income paid to non-residents	17,093	16,826	16,462	16,142	15,614			
	5.1	-1.6	-2.2	-1.9	-3.3			
3. Plus: Investment income received from non-residents	8,110	8,523	7,897	8,129	7,457			
	-6.8	5.1	-7.3	2.9	-8.3			
4. Equals: Gross Provincial Product at market prices	310,385	311,832	315,495	320,532	326,778			
	* -1.0	0.5	1.2	1.6	1.9			
	-4.0	1.9	4.8	6.5	8.0			

Notes: Per cent change from previous quarter at quarterly rates is given on the second line.

\* Annualized per cent change from previous quarter.

Source: Office of Economic Policy, Ontario Ministry of Finance

## ONTARIO DEFLATORS

(1986 = 100)

TABLE

	1994				1995			
	I	II	III	IV	I	II	III	IV
	129.4	129.4	129.8	129.9	130.9	131.8	132.3	133.0
1. Personal expenditure on consumer goods and services:	-0.4	-0.1	0.3	0.1	0.8	0.7	0.4	0.2
2. Goods	124.3	123.0	123.2	123.5	124.4	125.2	125.4	126.0
	-1.0	-1.0	0.2	0.2	0.7	0.6	0.2	0.0
3. Services	134.3	135.4	136.1	136.1	137.2	138.1	138.9	139.8
	0.3	0.8	0.5	0.0	0.8	0.7	0.6	0.5
4. Government expenditure on goods and services:	127.5	127.4	126.8	126.7	127.2	127.5	127.4	128.0
	-0.2	-0.1	-0.5	-0.1	0.4	0.2	-0.1	0.0
5. Current expenditure	131.3	131.4	130.9	131.2	131.6	131.7	131.7	132.0
	0.0	0.1	-0.4	0.2	0.3	0.1	0.0	0.0
6. Capital expenditure	96.4	97.1	98.1	98.7	99.4	99.5	99.1	99.0
	0.2	0.7	1.0	0.6	0.7	0.1	-0.4	0.0
7. Business gross fixed capital formation:	103.3	102.5	100.5	98.4	97.4	97.1	96.8	96.0
	-0.6	-0.8	-1.9	-2.1	-1.0	-0.3	-0.3	-0.3
8. Residential construction	133.5	134.7	134.9	136.3	135.0	135.3	137.8	139.0
	1.0	0.9	0.1	1.0	-1.0	0.2	1.8	0.0
9. Non-residential construction	120.4	122.3	123.6	125.0	125.7	125.8	126.8	127.0
	1.3	1.6	1.1	1.1	0.6	0.1	0.8	0.8
10. Machinery and equipment	83.1	81.7	79.9	77.9	78.2	79.2	76.9	75.0
	-0.7	-1.7	-2.2	-2.5	0.4	1.2	-2.9	-2.0
11. Exports of goods and services	108.2	112.6	111.8	110.8	112.6	112.6	111.5	111.0
	-0.5	4.1	-0.7	-0.9	1.6	0.0	-1.0	-1.0
12. DEDUCT: Imports of goods and services	103.1	106.0	105.2	104.7	106.8	106.6	105.0	104.0
	0.8	2.8	-0.7	-0.5	2.0	-0.2	-1.5	-1.0
13. Value of physical change in inventories:	88.8	48.1	61.9	35.9	83.2	101.8	103.0	111.0
14. Non-farm	94.2	47.1	63.5	46.7	87.7	101.4	102.9	111.0
15. Farm and grain in commercial channels	45.4	130.2	-155.3	-213.6	-230.2	42.1	174.1	80.0
16. Gross Domestic Product at market prices	126.4	127.4	127.0	126.1	126.8	127.9	128.1	128.0
	-1.1	0.8	-0.3	-0.8	0.6	0.8	0.2	0.0
*	-4.3	3.4	-1.3	-3.0	2.5	3.3	0.6	0.0
17. Final domestic demand	124.5	124.1	123.8	123.4	124.0	124.4	124.9	125.0
	-0.3	-0.3	-0.3	-0.4	0.5	0.4	0.4	0.0

Notes: Per cent change from previous quarter at quarterly rates is given on the second line.

\* Annualized per cent change from previous quarter.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

## ONTARIO DEFLATATORS

(1986 = 100)

TABLE 7

	1996				1997			
	I	II	III	IV	I	II	III	IV
1. Personal expenditure on consumer goods and services:	132.6	133.0	133.4	133.8	134.5			
	0.1	0.3	0.3	0.3	0.5			
2. Goods	125.3	126.1	126.2	127.0	127.0			
	0.2	0.6	0.1	0.6	0.0			
3. Services	139.5	139.5	140.2	140.3	141.5			
	0.0	0.0	0.5	0.1	0.9			
4. Government expenditure on goods and services:	126.9	126.5	126.0	125.6	125.7			
	-0.6	-0.3	-0.4	-0.3	0.0			
5. Current expenditure	131.9	131.3	130.9	130.7	130.8			
	-0.3	-0.4	-0.3	-0.2	0.1			
6. Capital expenditure	94.6	92.8	90.1	88.0	87.2			
	-3.3	-1.9	-2.9	-2.3	-0.9			
7. Business gross fixed capital formation:	94.7	95.0	94.1	93.7	93.3			
	-0.3	0.4	-1.0	-0.4	-0.5			
8. Residential construction	136.2	136.5	136.8	137.6	137.7			
	0.0	0.2	0.2	0.6	0.1			
9. Non-residential construction	126.8	128.1	129.1	129.1	130.0			
	-0.2	1.0	0.8	0.0	0.7			
10. Machinery and equipment	75.2	74.1	73.2	72.4	71.8			
	0.0	-1.5	-1.2	-1.1	-0.8			
11. Exports of goods and services	113.4	113.7	115.1	115.6	114.5			
	1.6	0.2	1.3	0.4	-1.0			
12. DEDUCT: Imports of goods and services	105.4	105.6	106.0	105.6	104.4			
	1.2	0.2	0.4	-0.4	-1.1			
13. Value of physical change in inventories:	619.9	70.8	2193.7	154.8	149.1			
14. Non-farm	-282.4	66.7	-191.8	164.6	136.4			
15. Farm and grain in commercial channels	432.2	302.9	542.2	378.8	366.6			
16. Gross Domestic Product at market prices	128.9	129.1	129.9	130.9	131.4			
	0.5	0.2	0.6	0.8	0.4			
*	1.9	0.7	2.6	3.1	1.7			
17. Final domestic demand	124.2	124.3	123.9	123.7	123.8			
	-0.3	0.1	-0.3	-0.2	0.1			

Notes: Per cent change from previous quarter at quarterly rates is given on the second line.

\* Annualized per cent change from previous quarter.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT, (INCOME BASED)**

(\$ millions)

**TABLE 8**

	1992	1993	1994	1995	1996
1. Wages, salaries and supplementary labour income ( <i>domestic basis</i> )	163,477 1.7	164,634 0.7	167,834 1.9	173,217 3.2	178,659 3.1
2. Military pay and allowances	1,415 5.7	1,394 -1.5	1,406 0.9	1,426 1.4	1,225 -14.1
3. Corporation profits before taxes	15,961 0.3	18,931 18.6	24,494 29.4	28,358 15.8	28,394 0.1
4. Interest and miscellaneous investment income	16,472 4.2	14,941 -9.3	15,639 4.7	16,159 3.3	14,954 -7.5
5. Accrued net income of farm operators from farm production	218 -20.1	323 48.2	134 -58.5	122 -8.8	-100 -181.8
6. Net income of non-farm unincorporated business including rent	15,321 2.7	16,537 7.9	16,889 2.1	17,176 1.7	17,707 3.1
7. Inventory valuation adjustment	-948	-1,211	-2,689	-1,707	-456
8. Net Domestic Income at factor cost	211,915 1.0	215,549 1.7	223,707 3.8	234,751 4.9	240,383 2.4
9. Indirect taxes less subsidies	37,643 4.9	38,633 2.6	40,467 4.7	40,963 1.2	42,608 4.0
10. Capital consumption allowances and miscellaneous valuation adjustments	33,244 1.3	34,387 3.4	36,653 6.6	38,363 4.7	40,036 4.4
11. Gross Domestic Product at market prices	282,803 1.6	288,569 2.0	300,827 4.2	314,077 4.4	323,027 2.8

**Note:** Percentage change from previous year is given on the second line.**Sources:** Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT, (EXPENDITURE BASED)**

(\$ millions)

TABLE 9

	1992	1993	1994	1995	1996
<b>1. Personal expenditure on consumer goods and services:</b>	<b>166,462</b>	<b>171,502</b>	<b>177,300</b>	<b>182,759</b>	<b>188,029</b>
2.4	2.4	3.0	3.4	3.1	2.9
<b>2. Goods</b>	<b>77,802</b>	<b>79,885</b>	<b>82,486</b>	<b>84,453</b>	<b>86,127</b>
0.8	2.7	3.3	2.4	2.0	
<b>3. Services</b>	<b>88,660</b>	<b>91,617</b>	<b>94,814</b>	<b>98,306</b>	<b>101,902</b>
3.8	3.3	3.5	3.7	3.7	
<b>4. Government expenditure on goods and services:</b>	<b>64,031</b>	<b>63,865</b>	<b>63,263</b>	<b>63,846</b>	<b>61,164</b>
3.4	-0.3	-0.9	0.9	-4.2	
<b>5. Current expenditure</b>	<b>57,971</b>	<b>58,623</b>	<b>57,320</b>	<b>57,320</b>	<b>55,641</b>
3.9	1.1	-2.2	0.0	-2.9	
<b>6. Capital expenditure</b>	<b>6,060</b>	<b>5,242</b>	<b>5,943</b>	<b>6,526</b>	<b>5,523</b>
-1.6	-13.5	13.4	9.8	-15.4	
<b>7. Business gross fixed capital formation:</b>	<b>41,643</b>	<b>39,075</b>	<b>41,269</b>	<b>40,838</b>	<b>44,876</b>
-5.7	-6.2	5.6	-1.0	9.9	
<b>8. Residential construction</b>	<b>15,781</b>	<b>14,668</b>	<b>15,388</b>	<b>13,158</b>	<b>15,015</b>
0.6	-7.1	4.9	-14.5	14.1	
<b>9. Non-residential construction</b>	<b>9,257</b>	<b>7,459</b>	<b>6,423</b>	<b>6,315</b>	<b>6,842</b>
-18.4	-19.4	-13.9	-1.7	8.3	
<b>10. Machinery and equipment</b>	<b>16,605</b>	<b>16,948</b>	<b>19,458</b>	<b>21,365</b>	<b>23,019</b>
-3.0	2.1	14.8	9.8	7.7	
<b>11. Exports of goods and services</b>	<b>140,970</b>	<b>156,418</b>	<b>177,562</b>	<b>201,428</b>	<b>212,371</b>
6.8	11.0	13.5	13.4	5.4	
<b>12. DEDUCT: Imports of goods and services</b>	<b>126,589</b>	<b>139,925</b>	<b>158,416</b>	<b>176,553</b>	<b>181,884</b>
7.1	10.5	13.2	11.4	3.0	
<b>13. Value of physical change in inventories:</b>	<b>-2,553</b>	<b>-1,061</b>	<b>1,362</b>	<b>3,568</b>	<b>108</b>
<b>14. Non-farm</b>	<b>-2,255</b>	<b>-1,152</b>	<b>1,385</b>	<b>3,643</b>	<b>311</b>
<b>15. Farm and grain in commercial channels</b>	<b>-298</b>	<b>91</b>	<b>-23</b>	<b>-75</b>	<b>-203</b>
<b>16. Statistical discrepancy</b>	<b>-1,161</b>	<b>-1,305</b>	<b>-1,513</b>	<b>-1,809</b>	<b>-1,637</b>
<b>17. Gross Domestic Product at market prices</b>	<b>282,803</b>	<b>288,569</b>	<b>300,827</b>	<b>314,077</b>	<b>323,027</b>
1.6	2.0	4.2	4.4	2.8	
<b>18. Gross Domestic Product at 1986 prices</b>	<b>224,330</b>	<b>226,954</b>	<b>237,411</b>	<b>245,817</b>	<b>249,098</b>
1.0	1.2	4.6	3.5	1.3	

Note: Percentage change from previous year is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT AT 1986 PRICES**  
**(\$ millions)**

**TABLE 10**

	1992	1993	1994	1995	1996
1. Personal expenditure on consumer goods and services:	131,681 1.1	133,120 1.1	136,773 2.7	138,567 1.3	141,127 1.8
2. Goods	63,330 0.6	64,153 1.3	66,788 4.1	67,551 1.1	68,277 1.1
3. Services	68,351 1.5	68,967 0.9	69,985 1.5	71,016 1.5	72,850 2.6
4. Government expenditure on goods and services:	50,857 1.3	50,171 -1.3	49,772 -0.8	50,081 0.6	48,441 -3.3
5. Current expenditure	44,660 1.0	44,747 0.2	43,686 -2.4	43,485 -0.5	42,405 -2.5
6. Capital expenditure	6,196 3.3	5,423 -12.5	6,085 12.2	6,596 8.4	6,036 -8.5
7. Business gross fixed capital formation:	39,996 -1.4	38,282 -4.3	40,818 6.6	42,280 3.6	47,560 12.5
8. Residential construction	12,044 2.4	11,150 -7.4	11,412 2.4	9,671 -15.3	10,976 13.5
9. Non-residential construction	7,926 -17.3	6,300 -20.5	5,233 -16.9	4,998 -4.5	5,333 6.7
10. Machinery and equipment	20,026 4.2	20,832 4.0	24,173 16.0	27,611 14.2	31,251 13.2
11. Exports of goods and services	133,737 6.1	144,687 8.2	160,142 10.7	179,744 12.2	185,598 3.3
12. DEDUCT: Imports of goods and services	128,748 6.0	137,404 6.7	151,201 10.0	167,116 10.5	172,153 3.0
13. Value of physical change in inventories:	-2,233	-841	2,332	3,687	-251
14. Non-farm	-1,980	-841	2,240	3,711	-200
15. Farm and grain in commercial channels	-253	0	92	-24	-51
16. Statistical discrepancy	-959	-1,060	-1,224	-1,426	-1,224
17. Gross Domestic Product at 1986 prices	224,330 1.0	226,954 1.2	237,411 4.6	245,817 3.5	249,098 1.3
18. Final domestic demand	222,534 0.7	221,573 -0.4	227,363 2.6	230,928 1.6	237,128 2.7

Notes: Percentage change from previous year is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**SOURCES AND DISPOSITION OF ONTARIO PERSONAL INCOME**  
(\$ millions)

TABLE 11

	1992	1993	1994	1995	1996
<b>1. Wages, salaries and supplementary labour income (national basis)</b>	<b>160,778</b> 1.6	<b>161,893</b> 0.7	<b>165,090</b> 2.0	<b>170,323</b> 3.2	<b>175,654</b> 3.1
<b>2. Add: Military pay and allowances</b>	<b>1,415</b> 5.7	<b>1,394</b> -1.5	<b>1,406</b> 0.9	<b>1,426</b> 1.4	<b>1,225</b> -14.1
<b>3. Net income of farm operators from farm production</b>	<b>257</b> 40.7	<b>467</b> 81.3	<b>122</b> -73.9	<b>103</b> -15.8	<b>-84</b> -181.8
<b>4. Net income of non-farm unincorporated business including rent</b>	<b>15,321</b> 2.7	<b>16,537</b> 7.9	<b>16,889</b> 2.1	<b>17,176</b> 1.7	<b>17,707</b> 3.1
<b>5. Interest, dividends and miscellaneous investment income</b>	<b>33,884</b> -4.6	<b>32,021</b> -5.5	<b>32,024</b> 0.0	<b>34,982</b> 9.2	<b>33,923</b> -3.0
<b>6. Current transfers from government, corporations and non-residents</b>	<b>39,273</b> 10.5	<b>40,905</b> 4.2	<b>41,310</b> 1.0	<b>41,078</b> -0.6	<b>40,606</b> -1.1
<b>7. Equals: Personal income</b>	<b>250,928</b> 2.1	<b>253,217</b> 0.9	<b>256,841</b> 1.4	<b>265,088</b> 3.2	<b>269,031</b> 1.5
<b>8. Deduct: Personal direct taxes</b>	<b>56,770</b> 1.2	<b>57,002</b> 0.4	<b>58,997</b> 3.5	<b>62,300</b> 5.6	<b>66,151</b> 6.2
<b>9. Other current transfers to government</b>	<b>970</b> 4.0	<b>1,032</b> 6.4	<b>1,044</b> 1.2	<b>1,020</b> -2.3	<b>1,033</b> 1.3
<b>10. Equals: Personal disposable income</b>	<b>193,188</b> 2.4	<b>195,183</b> 1.0	<b>196,800</b> 0.8	<b>201,768</b> 2.5	<b>201,847</b> 0.0
<b>11. Deduct: Personal expenditure on consumer goods and services</b>	<b>166,462</b> 2.4	<b>171,502</b> 3.0	<b>177,300</b> 3.4	<b>182,759</b> 3.1	<b>188,029</b> 2.9
<b>12. Current transfers to corporations</b>	<b>2,468</b> -26.2	<b>1,965</b> -20.4	<b>1,855</b> -5.6	<b>2,549</b> 37.4	<b>2,399</b> -5.9
<b>13. Current transfers to non-residents</b>	<b>352</b> 22.3	<b>369</b> 4.8	<b>388</b> 5.1	<b>409</b> 5.3	<b>423</b> 3.4
<b>14. Equals: Personal saving</b>	<b>23,906</b> 6.3	<b>21,347</b> -10.7	<b>17,257</b> -19.2	<b>16,051</b> -7.0	<b>10,996</b> -31.5
<b>15. Personal savings rate</b>	<b>12.4</b>	<b>10.9</b>	<b>8.8</b>	<b>8.0</b>	<b>5.4</b>

Note: Percentage change from previous year is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO TRADE**

(\$ millions)

TABLE 12

	1992	1993	1994	1995	1996
<b>1. Exports of Goods and Services</b>	<b>140,970</b>	<b>156,418</b>	<b>177,562</b>	<b>201,428</b>	<b>212,371</b>
	6.8	11.0	13.5	13.4	5.4
<b>2. Of Which: International</b>	<b>88,259</b>	<b>101,828</b>	<b>120,773</b>	<b>140,849</b>	<b>147,277</b>
	13.7	15.4	18.6	16.6	4.6
<b>3. Goods</b>	<b>75,677</b>	<b>87,501</b>	<b>104,995</b>	<b>123,173</b>	<b>128,062</b>
	15.4	15.6	20.0	17.3	4.0
<b>4. Services</b>	<b>12,582</b>	<b>14,327</b>	<b>15,778</b>	<b>17,676</b>	<b>19,215</b>
	4.1	13.9	10.1	12.0	8.7
<b>5. Of Which: Interprovincial goods and services</b>	<b>52,711</b>	<b>54,590</b>	<b>56,789</b>	<b>60,579</b>	<b>65,094</b>
	-3.0	3.6	4.0	6.7	7.5
<b>6. Imports of Goods and Services</b>	<b>126,589</b>	<b>139,925</b>	<b>158,416</b>	<b>176,553</b>	<b>181,884</b>
	7.1	10.5	13.2	11.4	3.0
<b>7. Trade Balance</b>	<b>14,381</b>	<b>16,493</b>	<b>19,146</b>	<b>24,875</b>	<b>30,487</b>

Note: Percentage change from previous year is given on the second line.

Source: Office of Economic Policy, Ontario Ministry of Finance

**RELATIONSHIP BETWEEN ONTARIO GROSS DOMESTIC PRODUCT  
AND ONTARIO GROSS PROVINCIAL PRODUCT**  
(\$ millions)

TABLE 13

	1992	1993	1994	1995	1996
<b>1. Gross Domestic Product at market prices</b>	<b>282,803</b>	<b>288,569</b>	<b>300,827</b>	<b>314,077</b>	<b>323,027</b>
	1.6	2.0	4.2	4.4	2.8
<b>2. Less:</b> Investment income paid to non-residents	<b>13,733</b>	<b>14,088</b>	<b>15,578</b>	<b>16,558</b>	<b>16,631</b>
	2.8	2.6	10.6	6.3	0.4
<b>3. Plus:</b> Investment income received from non-residents	<b>5,930</b>	<b>6,491</b>	<b>7,019</b>	<b>8,346</b>	<b>8,165</b>
	-8.2	9.5	8.1	18.9	-2.2
<b>4. Equals: Gross Provincial Product at market prices</b>	<b>274,999</b>	<b>280,972</b>	<b>292,268</b>	<b>305,865</b>	<b>314,561</b>
	1.3	2.2	4.0	4.7	2.8

Note: Percentage change from previous year is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO DEFLATATORS**

(1986 = 100)

**TABLE 14**

	<b>1992</b>	<b>1993</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>
<b>1. Personal expenditure on consumer goods and services:</b>	<b>126.4</b>	<b>128.8</b>	<b>129.6</b>	<b>131.9</b>	<b>133.2</b>
	1.3	1.9	0.6	1.7	1.0
<b>2. Goods</b>	<b>122.9</b>	<b>124.5</b>	<b>123.5</b>	<b>125.0</b>	<b>126.1</b>
	0.2	1.4	-0.8	1.2	0.9
<b>3. Services</b>	<b>129.7</b>	<b>132.8</b>	<b>135.5</b>	<b>138.4</b>	<b>139.9</b>
	2.3	2.4	2.0	2.2	1.1
<b>4. Government expenditure on goods and services:</b>	<b>125.9</b>	<b>127.3</b>	<b>127.1</b>	<b>127.5</b>	<b>126.3</b>
	2.1	1.1	-0.2	0.3	-1.0
<b>5. Current expenditure</b>	<b>129.8</b>	<b>131.0</b>	<b>131.2</b>	<b>131.8</b>	<b>131.2</b>
	2.9	0.9	0.2	0.5	-0.5
<b>6. Capital expenditure</b>	<b>97.8</b>	<b>96.7</b>	<b>97.6</b>	<b>98.9</b>	<b>91.4</b>
	-4.7	-1.2	1.0	1.4	-7.6
<b>7. Business gross fixed capital formation:</b>	<b>104.1</b>	<b>102.1</b>	<b>101.2</b>	<b>96.6</b>	<b>94.4</b>
	-4.3	-2.0	-0.9	-4.5	-2.3
<b>8. Residential construction</b>	<b>131.0</b>	<b>131.5</b>	<b>134.9</b>	<b>136.1</b>	<b>136.8</b>
	-1.8	0.4	2.5	0.9	0.5
<b>9. Non-residential construction</b>	<b>116.8</b>	<b>118.4</b>	<b>122.8</b>	<b>126.4</b>	<b>128.3</b>
	-1.3	1.4	3.7	2.9	1.5
<b>10. Machinery and equipment</b>	<b>83.0</b>	<b>81.4</b>	<b>80.6</b>	<b>77.4</b>	<b>73.7</b>
	-6.8	-2.0	-0.9	-4.1	-4.7
<b>11. Exports of goods and services</b>	<b>105.4</b>	<b>108.1</b>	<b>110.9</b>	<b>112.1</b>	<b>114.4</b>
	0.6	2.6	2.6	1.1	2.1
<b>12. DEDUCT: Imports of goods and services</b>	<b>98.3</b>	<b>101.8</b>	<b>104.8</b>	<b>105.7</b>	<b>105.7</b>
	0.9	3.6	2.9	0.9	0.0
<b>13. Value of physical change in inventories:</b>	<b>126.7</b>	<b>-10.8</b>	<b>58.7</b>	<b>100.1</b>	<b>759.8</b>
<b>14. Non-farm</b>	<b>134.1</b>	<b>134.9</b>	<b>62.9</b>	<b>100.6</b>	<b>-60.7</b>
<b>15. Farm and grain in commercial channels</b>	<b>185.7</b>	<b>145.7</b>	<b>-48.3</b>	<b>18.0</b>	<b>414.0</b>
<b>16. Gross Domestic Product at market prices</b>	<b>126.1</b>	<b>127.1</b>	<b>126.7</b>	<b>127.8</b>	<b>129.7</b>
	0.6	0.9	-0.3	0.8	1.5
<b>17. Final domestic demand</b>	<b>122.3</b>	<b>123.9</b>	<b>124.0</b>	<b>124.5</b>	<b>124.0</b>
	0.7	1.2	0.1	0.4	-0.4

Note: Percentage change from previous quarter is given at annual rate on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO PRODUCTION BY INDUSTRY, 1986\$**  
(\$millions, seasonally adjusted at annual rates)

TABLE 15

	1992				1993			
	I	II	III	IV	I	II	III	IV
1. Primary	5,110 0.9	4,969 -2.8	5,009 0.8	4,936 -1.4	5,193 5.2	5,181 -0.2	5,063 -2.3	4,937 -2.5
2. Manufacturing	44,036 -0.8	45,055 2.3	45,017 -0.1	46,027 2.2	46,846 1.8	46,552 -0.6	46,843 0.6	47,919 2.3
3. Construction	10,009 -9.0	10,148 1.4	10,555 4.0	10,414 -1.3	10,440 0.2	9,406 -9.9	8,465 -10.0	8,229 -2.8
4. Utilities	5,312 -1.6	5,175 -2.6	4,966 -4.0	5,070 2.1	5,133 1.2	5,146 0.2	5,304 3.1	5,392 1.7
5. Goods Producing Industries	64,467 -2.1	65,347 1.4	65,548 0.3	66,447 1.4	67,613 1.8	66,284 -2.0	65,675 -0.9	66,478 1.2
6. Transportation, Storage and Communication	13,969 0.5	14,110 1.0	14,193 0.6	14,117 -0.5	14,280 1.1	14,233 -0.3	14,372 1.0	14,498 0.9
7. Wholesale & Retail Trade	23,288 0.4	23,381 0.4	23,670 1.2	23,847 0.7	24,071 0.9	24,119 0.2	24,436 1.3	25,088 2.7
8. Finance, Insurance and Real Estate	31,582 -0.2	31,460 -0.4	31,576 0.4	31,454 -0.4	31,707 0.8	32,123 1.3	32,358 0.7	32,618 0.8
9. Community, Business and Personal Services	46,861 0.1	46,877 0.0	46,944 0.1	46,990 0.1	47,164 0.4	47,483 0.7	47,366 -0.2	47,485 0.3
10. Government Services	12,397 -0.1	12,382 -0.1	12,244 -1.1	12,240 0.0	12,263 0.2	12,237 -0.2	12,251 0.1	12,363 0.9
11. Services Producing Industries	128,097 0.1	128,210 0.1	128,627 0.3	128,647 0.0	129,485 0.7	130,196 0.5	130,783 0.5	132,052 1.0
12. Miscellaneous Industries	1,425	1,306	1,345	1,226	1,116	1,326	1,495	1,307
13. Total Production (1986\$) at Factor Cost	193,989 -0.6	194,863 0.5	195,519 0.3	196,321 0.4	198,213 1.0	197,806 -0.2	197,953 0.1	199,836 1.0
	*	-2.2	1.8	1.4	3.9	-0.8	0.3	3.9
14. Indirect Taxes Less Subsidies plus Miscellaneous Adjustments	30,658	30,467	28,612	26,891	25,981	28,477	29,077	30,474
15. Gross Domestic Product (1986\$) at Market Prices	224,647 0.8	225,331 0.3	224,132 -0.5	223,212 -0.4	224,195 0.4	226,283 0.9	227,030 0.3	230,310 1.4
	*	3.4	1.2	-2.1	-1.6	1.8	3.8	1.3

Notes: Percentage change from previous quarter is given on second line

\* Annualized per change from previous quarter

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO PRODUCTION BY INDUSTRY, 1986\$**  
(\$millions, seasonally adjusted at annual rates)

TABLE 15

	1994				1995				
	I	II	III	IV	I	II	III	IV	
	4,887 -1.0	5,132 5.0	5,324 3.7	5,600 5.2	5,321 -5.0	5,282 -0.7	5,429 2.8	5,417 -0.2	
1. Primary									
2. Manufacturing	48,077 0.3	50,297 4.6	52,183 3.7	54,904 5.2	55,750 1.5	53,884 -3.3	54,564 1.3	54,936 0.7	
3. Construction	8,611 4.6	9,261 7.6	9,353 1.0	9,907 5.9	9,248 -6.6	8,666 -6.3	8,626 -0.5	8,549 -0.9	
4. Utilities	5,769 7.0	5,629 -2.4	5,480 -2.7	5,151 -6.0	5,247 1.9	5,419 3.3	5,643 4.1	5,488 -2.8	
5. Goods Producing Industries	67,344 1.3	70,320 4.4	72,340 2.9	75,561 4.5	75,566 0.0	73,252 -3.1	74,262 1.4	74,390 0.2	
6. Transportation, Storage and Communication	14,965 3.2	15,005 0.3	14,973 -0.2	15,341 2.5	15,524 1.2	15,552 0.2	15,832 1.8	15,993 1.0	
7. Wholesale & Retail Trade	25,455 1.5	26,124 2.6	26,717 2.3	27,529 3.0	27,411 -0.4	27,171 -0.9	27,391 0.8	27,013 -1.4	
8. Finance, Insurance and Real Estate	32,872 0.8	32,738 -0.4	32,661 -0.2	32,743 0.3	32,637 -0.3	32,971 1.0	33,291 1.0	33,375 0.3	
9. Community, Business and Personal Services	47,539 0.1	47,959 0.9	48,254 0.6	48,446 0.4	48,709 0.5	49,032 0.7	49,331 0.6	49,627 0.6	
10. Government Services	12,296 -0.5	12,169 -1.0	12,115 -0.4	12,065 -0.4	12,042 -0.2	12,013 -0.2	11,986 -0.2	11,887 -1.0	
11. Services Producing Industries	133,128 0.8	133,995 0.7	134,721 0.5	136,123 1.0	136,322 0.1	136,739 0.3	137,830 0.8	137,874 0.0	
12. Miscellaneous Industries	887	646	2,087	1,524	765	736	1,340	2,131	
13. Total Production (1986\$) at Factor Cost	201,359 0.8	204,961 1.8	209,147 2.0	213,208 1.9	212,653 -0.3	210,727 -0.9	213,432 1.3	214,396 1.8	
	*	3.1	7.4	8.4	8.0	-1.0	-3.6	5.2	0.0
14. Indirect Taxes Less Subsidies plus Miscellaneous Adjustments	31,679	29,577	29,769	29,945	30,827	31,571	33,698	35,964	
15. Gross Domestic Product (1986\$) at Market Prices	233,037 1.2	234,538 0.6	238,916 1.9	243,153 1.8	243,481 0.1	242,298 -0.5	247,130 2.0	250,360 1.3	
	*	4.8	2.6	7.7	7.3	0.5	-1.9	8.2	5.3

Notes: Percentage change from previous quarter is given on second line

\* Annualized per cent change from previous quarter

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO PRODUCTION BY INDUSTRY, 1986\$**

(\$millions, seasonally adjusted at annual rates)

**TABLE 15**

	1996				1997			
	I	II	III	IV	I	II	III	IV
	5,496	5,397	5,407	5,439	5,385			
1. Primary	1.5	-1.8	0.2	0.6		-1.0		
2. Manufacturing	54,667	54,961	55,589	55,147	56,391			
	-0.5	0.5	1.1	-0.8		2.3		
3. Construction	8,400	8,654	8,973	8,801	9,072			
	-1.7	3.0	3.7	-1.9		3.1		
4. Utilities	5,434	5,386	5,363	5,501	5,519			
	-1.0	-0.9	-0.4	2.6		0.3		
5. Goods Producing Industries	73,997	74,397	75,333	74,888	76,367			
	-0.5	0.5	1.3	-0.6		2.0		
6. Transportation, Storage and Communication	16,043	16,495	16,955	16,964	17,437			
	0.3	2.8	2.8	0.1		2.8		
7. Wholesale & Retail Trade	27,399	27,679	28,419	28,980	29,729			
	1.4	1.0	2.7	2.0		2.6		
8. Finance, Insurance and Real Estate	33,776	34,147	34,292	35,307	35,424			
	1.2	1.1	0.4	3.0		0.3		
9. Community, Business and Personal Services	49,759	49,570	49,808	50,404	50,944			
	0.3	-0.4	0.5	1.2		1.1		
10. Government Services	11,134	11,492	11,376	11,390	11,340			
	-6.2	3.2	-1.0	0.1		-0.4		
11. Services Producing Industries	138,111	139,382	140,851	143,045	144,874			
	0.2	0.9	1.1	1.6		1.3		
12. Miscellaneous Industries	1462	1,111	2,502	1046.8	1064			
13. Total Production (1986\$) at Factor Cost	213,570	214,890	217,305	218,980	222,305			
	-0.4	0.6	1.1	0.8		1.5		
	* -1.5	2.5	4.6	3.1		6.2		
14. Indirect Taxes Less Subsidies plus Miscellaneous Adjustments	34,285	33,146	32,166	32,050	32,559			
15. Gross Domestic Product (1986\$) at Market Prices	247,855	248,036	249,471	251,030	254,864			
	-1.0	0.1	0.6	0.6		1.5		
	* -3.9	0.3	2.3	2.5		6.3		

Notes: Percentage change from previous quarter is given on second line

\* Annualized per change from previous quarter

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO PRODUCTION BY INDUSTRY, 1986\$**  
(\$millions)

**TABLE 16**

	1992	1993	1994	1995	1996
<b>1. Primary</b>	<b>5,006</b> -1.1	<b>5,093</b> 1.7	<b>5,236</b> 2.8	<b>5,362</b> 2.4	<b>5,435</b> 1.4
<b>2. Manufacturing</b>	<b>45,034</b> 2.6	<b>47,040</b> 4.5	<b>51,365</b> 9.2	<b>54,783</b> 6.7	<b>55,091</b> 0.6
<b>3. Construction</b>	<b>10,282</b> -6.8	<b>9,135</b> -11.2	<b>9,283</b> 1.6	<b>8,773</b> -5.5	<b>8,707</b> -0.7
<b>4. Utilities</b>	<b>5,131</b> -3.2	<b>5,244</b> 2.2	<b>5,507</b> 5.0	<b>5,449</b> -1.1	<b>5,421</b> -0.5
<b>5. Goods Producing Industries</b>	<b>65,452</b> 0.2	<b>66,512</b> 1.6	<b>71,391</b> 7.3	<b>74,368</b> 4.2	<b>74,654</b> 0.4
<b>6. Transportation, Storage and Communication</b>	<b>14,097</b> 1.1	<b>14,346</b> 1.8	<b>15,071</b> 5.1	<b>15,725</b> 4.3	<b>16,614</b> 5.7
<b>7. Wholesale &amp; Retail Trade</b>	<b>23,546</b> 1.1	<b>24,428</b> 3.7	<b>26,456</b> 8.3	<b>27,246</b> 3.0	<b>28,119</b> 3.2
<b>8. Finance, Insurance and Real Estate</b>	<b>31,518</b> -0.1	<b>32,202</b> 2.2	<b>32,754</b> 1.7	<b>33,069</b> 1.0	<b>34,381</b> 4.0
<b>9. Community, Business and Personal Services</b>	<b>46,918</b> 0.2	<b>47,375</b> 1.0	<b>48,050</b> 1.4	<b>49,175</b> 2.3	<b>49,885</b> 1.4
<b>10. Government Services</b>	<b>12,316</b> 0.5	<b>12,279</b> -0.3	<b>12,161</b> -1.0	<b>11,977</b> -1.5	<b>11,348</b> -5.2
<b>11. Services Producing Industries</b>	<b>128,395</b> 0.4	<b>130,629</b> 1.7	<b>134,492</b> 3.0	<b>137,191</b> 2.0	<b>140,347</b> 2.3
<b>12. Miscellaneous Industries</b>	<b>1,326</b>	<b>1,311</b>	<b>1,286</b>	<b>1,243</b>	<b>1,185</b>
<b>13. Total Production (86\$) at Factor Cost</b>	<b>195,173</b> 0.4	<b>198,452</b> 1.7	<b>207,169</b> 4.4	<b>212,802</b> 2.7	<b>216,186</b> 1.6
<b>14. Indirect Taxes Less Subsidies plus Miscellaneous Adjustments</b>	<b>29,157</b>	<b>28,502</b>	<b>30,242</b>	<b>33,015</b>	<b>32,912</b>
<b>15. Gross Domestic Product (1986\$) at Market Prices</b>	<b>224,330</b> 1.0	<b>226,954</b> 1.2	<b>237,411</b> 4.6	<b>245,817</b> 3.5	<b>249,098</b> 1.3

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada



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# ONTARIO ECONOMIC ACCOUNTS

## Second Quarter of 1997

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Ministry of Finance  
Office of Economic Policy  
Macroeconomic Analysis and Policy Branch  
October, 1997

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## SECOND QUARTER HIGHLIGHTS

- In the April-June period, Ontario recorded another strong quarter of economic growth, with real GDP increasing by 1.8% (7.2% at annualized rates). This followed a 1.7% increase in the first quarter.
- Second quarter growth was driven by healthy domestic demand, with both the consumer and business sectors thriving. Exports grew at a slower pace in the second quarter, largely due to a temporary parts shortage in the auto sector.
- Buoyed by rising confidence and continued income and employment gains, households increased spending in 1997:2, with expenditures on consumer goods and services rising at their fastest pace in eleven years.
- Household after-tax income rose 0.7% in the second quarter, up for the fourth straight quarter. Labour income continued its robust growth, rising 1.1%.
- Business plant and equipment investment continued to expand, reflecting increased business confidence and higher Ontario corporation profits. Machinery and equipment investment rose 2.5%.

## OVERVIEW: Economy Strong in Second Quarter of 1997

The Ontario economy recorded a strong performance in the second quarter of 1997 (April-June), with real GDP rising by 1.8% (7.2% at annualized rates). This followed revised growth of 1.7% in the first quarter (6.8% annualized).

Healthy economic activity in 1997:2 was led by a vibrant domestic sector. Consumer spending surged, with the increase concentrated in big-ticket goods such as autos, furniture and appliances. Housing market activity remained brisk, with new home construction and renovation spending rising.

In the business sector, investment in plant and equipment remained on an upward trend, fuelled by higher corporation profits. Businesses also added to inventories, partly reflecting a parts shortage in the auto sector which resulted in a backlog of nearly completed autos.

In the external trade sector, export growth eased in the quarter, as the parts shortage in the auto sector held back shipments. The impact of lower auto exports was offset by a rebound in exports of electrical and electronic products. Imports rose at a faster pace than exports, resulting in a decline in the overall trade surplus.

On an industry basis, GDP growth was widespread, led by the construction industry, and the wholesale and retail trade sector. Solid performances were also recorded in manufacturing, utilities and business services.

The 1.8% advance in Ontario real GDP in the second quarter exceeded the 1.2% gain in Canadian output.

**QUARTERLY ONTARIO KEY ECONOMIC INDICATORS**  
 (% change from previous period)

	1995	1996	1996:3	1996:4	1997:1	1997:2
<b>Real GDP (1986\$)</b>	<b>3.5</b>	<b>1.3</b>	<b>0.6</b>	<b>0.6</b>	<b>1.7</b>	<b>1.8</b>
Personal spending	1.3	1.8	0.5	1.3	0.7	1.6
Government spending	0.6	-3.3	-2.2	-0.2	-0.1	-0.3
Residential construction	-15.3	13.5	5.3	7.6	3.4	3.4
Non-residential construction	-4.5	6.7	1.5	2.8	-0.1	0.9
Machinery & equipment	14.2	13.2	8.3	6.8	3.3	2.5
Exports	12.2	3.3	-1.0	-4.5	8.8	1.2
Imports	10.5	3.0	0.5	-1.7	7.2	2.5
Business Inventories (\$1986 billions)	3.7	-0.2	0.0	1.9	0.2	3.5
<b>Nominal GDP (Current\$)</b>	<b>4.4</b>	<b>2.8</b>	<b>1.2</b>	<b>1.4</b>	<b>1.9</b>	<b>1.4</b>
Corporation profits	15.8	0.1	6.8	0.0	13.7	7.1
Personal income	3.2	1.5	0.2	1.1	0.8	1.0
Personal disposable income	2.5	0.0	0.2	0.9	0.4	0.7
<b>Prices</b>						
GDP deflator	0.8	1.5	0.6	0.8	0.3	-0.3
Consumer Price Index (Y/Y%)	2.4	1.6	1.3	2.2	2.4	2.0

## Household Spending Maintains Momentum

In the second quarter, Ontario households continued to increase spending on consumer goods and services, and housing, bolstered by strong labour income gains and strengthening consumer confidence.

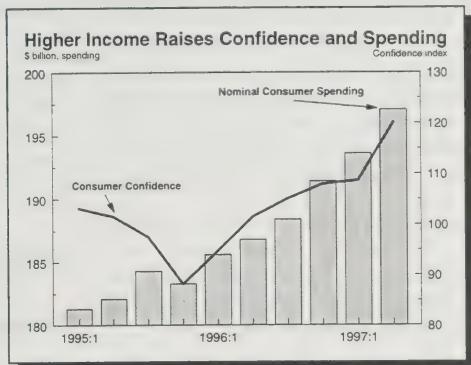
Real consumer spending increased by 1.6% in the second quarter, up for the sixth consecutive quarter. Spending for both goods and services increased, particularly for autos and housing-related items such as furniture and home appliances.

The increase in spending was supported by a 0.7% rise in **after-tax income** in 1997:2, the fourth straight quarterly advance. Labour income, the largest component of income, rose 1.1%.

Ontario households have become steadily more optimistic about economic conditions. The Conference Board of Canada reported that consumer confidence rose by 10.6% in 1997:2 from the previous quarter, reaching its highest level in more than eight years.

With nominal consumer spending rising faster than after-tax income, the Ontario **savings rate** fell from 3.8% in 1997:1 to 2.7% in 1997:2, reflecting growing confidence and increased capital gains.

In the **housing market**, real residential construction recorded its sixth straight solid gain, rising 3.4%. The increase was concentrated in new construction and home renovations. Although resale activity eased in the quarter, the volume of home resales remained at a high level, up 8.4% from a year ago.



### Ontario Consumer Sector (quarter-over-quarter change)

**1997:2**

Consumer Confidence	+10.6%
Personal Income	+1.0%
Nominal Consumer Spending	+1.8%
of which: retail sales	+2.2%
Private Sector Job Gain	+105,000

## Strength In Business Investment Continues

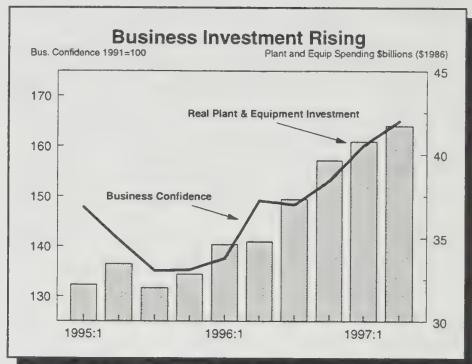
Buoyed by higher profits, growing foreign and domestic demand, and favourable financing conditions, firms continued to raise investment spending on plant and equipment.

Real plant and equipment investment rose 2.3% in the second quarter of 1997, following a 2.9% increase in 1997:1. Machinery and equipment spending rose 2.5%, led by increased demand for computers, industrial machinery, and aircraft. Non-residential construction rose 0.9% in the second quarter.

According to Statistics Canada's *Investment Intentions Survey*, Ontario businesses plan to raise plant and equipment spending by 11.8% in 1997, with outlays on both machinery and equipment (+12.7%) and non-residential construction (+8.9%) increasing.

Business real **inventories** rose by \$3.5 billion in the second quarter, up sharply from the \$0.2 billion addition in the previous quarter. Stock building took place in manufacturing (largely autos and computers), and wholesale and retail trade. The increase in auto inventories partly reflected a parts supply problem which led to a build-up of nearly completed autos.

Corporation profits in Ontario rose solidly by 7.1% in the second quarter, with increases led by the machinery and equipment, computer, appliance, consumer goods and banking sectors.



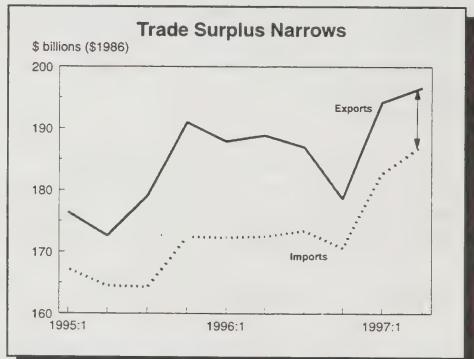
### Auto Parts Shortages Hold Back Exports

Ontario real exports, (which include both international and interprovincial exports) rose 1.2% in 1997:2. At the national level, total real exports of cars, trucks and parts declined by 6.0%, reflecting the parts shortage and a temporary slowdown in U.S. auto sales.

- In July, Canadian auto exports surged by 8.8%, indicating that Ontario auto exports should rebound in the third quarter.

Several Canadian export products important to Ontario, such as computers, chemicals, iron and steel, industrial machinery, and telecommunications equipment increased during the quarter.

Imports to Ontario increased 2.5% in 1997:2. Growth was concentrated in telecommunications equipment, computers and aircraft.



With real imports rising faster than exports the real trade surplus reached a level of \$9.3 billion (1986\$), down from \$16.5 billion a year ago. The shrinkage in the trade balance is the result of strong import growth, reflecting rising domestic demand in Ontario.

## Low Inflation Continues

The aggregate price level, as measured by the **GDP price deflator**, declined 0.3% during the quarter, after a 0.3% rise in the previous quarter. Over the first half of 1997, GDP prices are up by 1.6% from a year earlier, slightly lower than the 2.2% average increase in the CPI. The CPI excludes the impact of lower business machinery and equipment prices, which declined 3.4% in the first half of 1997.

Prices for consumer goods and services edged ahead by 0.2%, with higher prices reported for communications, recreational services and financial services. Prices of appliances, auto repairs and parts, food, and entertainment fell. Housing prices advanced by 1.4%.

Export prices declined by 0.1%, with lower prices for chemicals, machinery and equipment, and primary iron and steel. Import prices rose 0.7%.

## Industry Growth Broad Based in 1997:2

On an industry basis, total real production *at factor cost* in Ontario rose by 1.7% in the second quarter of 1997, similar to the 1.8% increase as measured at market prices. Manufacturing, construction, utilities, transportation, communications and storage, and wholesale and retail trade all recorded substantial increases.

**OUTPUT GROWTH BY MAJOR SECTOR**  
(% change from previous period)

	1995	1996	1996:3	1996:4	1997:1	1997:2
<b>Goods Sector</b>	<b>4.2</b>	<b>0.4</b>	<b>1.3</b>	<b>-0.6</b>	<b>2.0</b>	<b>2.4</b>
Primary Industries	2.4	1.4	0.2	0.6	-0.7	-0.8
Manufacturing	6.7	0.6	1.1	-0.8	2.3	2.5
Construction	-5.5	-0.7	3.7	-1.9	3.2	4.1
Utilities	-1.1	-0.5	-0.4	2.6	-0.2	2.0
<b>Service Sector</b>	<b>2.0</b>	<b>2.3</b>	<b>1.1</b>	<b>1.6</b>	<b>1.4</b>	<b>1.3</b>
Transportation, Storage and Communications	4.3	5.7	2.8	0.1	3.0	2.2
Wholesale and Retail Trade	3.0	3.2	2.7	2.0	2.8	3.2
Finance, Insurance and Real Estate	1.0	4.0	0.4	3.0	0.3	0.4
Community, Business and Personal Services	2.3	1.4	0.5	1.2	1.2	1.1
Government	-1.5	-5.2	-1.0	0.1	-0.4	-1.5

## Goods Sector Led by Huge Gains in Electrical Manufacturing

Manufacturing output rose by 2.5% in 1997:2, driven by a sharp rise in electrical manufacturing production.

Electrical manufacturing accounted for over one-fifth of Ontario's growth in the second quarter, rising 10.2%. Ontario computer equipment manufacturing led electrical production with a 20.2% rebound in the second quarter, after four consecutive quarters of decline. Strong export growth in the first half of 1997 spurred the rebound in computer production.

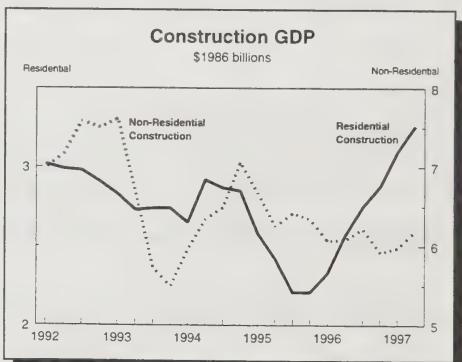
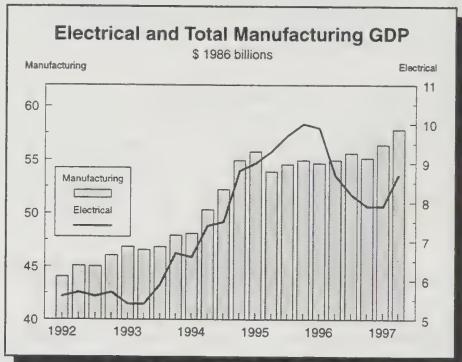
In the transportation equipment sector, auto production increased 1.1% despite a parts supply problem. Aircraft manufacturing activity rose sharply by 2.4%.

Other manufacturing industries which experienced strong second quarter growth were beverage, rubber, plastic, leather, textiles, wood, furniture, fabricated metals, minerals, and petroleum. These gains were partly offset by declines in clothing, paper, primary metals, machinery, and chemicals manufacturing.

## Non-Residential Construction Activity Jumps in the Second Quarter

Non-residential construction activity rose 3.5% in 1997:2, following a revised first quarter increase of 1.0%. Growth was broadly based, with both industrial and commercial building permits increasing at double digit rates in the first and second quarters. In the second quarter of 1997, the value of business sector permits jumped 27.1%.

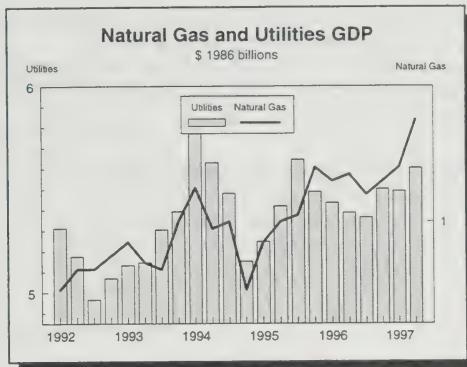
Residential and non-residential construction activity advanced 4.1% in the second quarter, the strongest quarterly growth since 1994:4.



## Strong Natural Gas Sales Leads Utilities

Strong commercial and residential demand pushed up value added in natural gas distribution by 6.9% in the second quarter of 1997, following a 2.1% increase in the previous quarter. A cooler than normal spring led to increased natural gas sales and hydro output. Output of the utility sector jumped 2.0% in the second quarter.

Primary sector output fell 0.8% in the second quarter of 1997 due primarily to a 26 day metal mining strike in June.



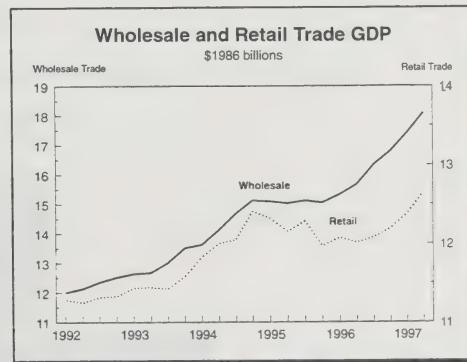
## Retail Trade Continues to Strengthen

Wholesale and retail trade activity rose 3.2% in 1997:2, the fourth consecutive quarter of 2.0% growth or better.

Retail trade continued to strengthen in the second quarter with activity jumping 2.2%, following a revised gain of 1.5% in the first quarter. Retail sales growth was led by strong home furnishing and appliance sales.

At the wholesale level, recent exceptional growth continued with activity increasing by 3.9% in the second quarter.

Finance, insurance and real estate industries rose 0.4% in the second quarter of 1997, following a first quarter advance of 0.3%. Strong growth in banking and insurance was offset by a slowdown in real estate commissions, as the housing resale market, though at a high level, fell back from its first quarter pace.



## Steady Growth in Community, Business and Personal Services

Community, business and personal services rose 1.1% in the second quarter of 1997, nearly matching its 1.2% performance in the first quarter. Business services, personal services, and amusement and recreation recorded strong growth.

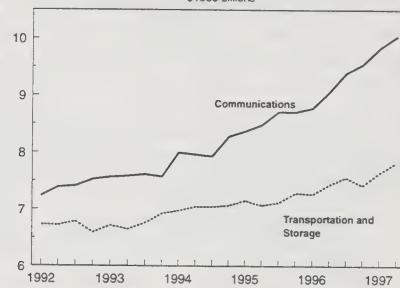
## Continued Strong Growth in the Communications Sector

Total output in the transportation, storage and communications sector advanced 2.2% in 1997:2, following a revised first quarter jump of 3.0%. Both the communications, and transportation and storage industries recorded a strong rise in activity.

The communications industry expanded by 2.0% in the second quarter, rising for the sixth consecutive quarter. Transportation and storage activity was up by 2.3% in the second quarter.

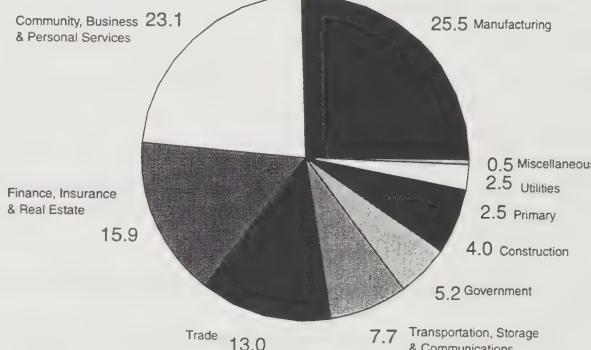
Transportation, Storage and Communications GDP

\$1986 billions



## Industrial Structure of Ontario Economy, 1996

% share



## List of Tables

## **Income and Expenditure Data**

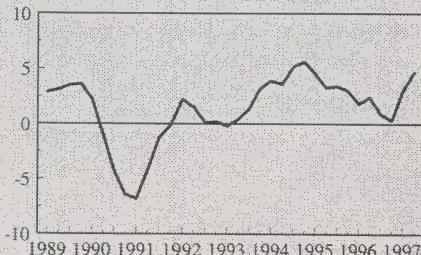
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# Ontario Economic Accounts: Summary (1989:1 - 1997:2)

## Gross Domestic Product

(1986 \$)

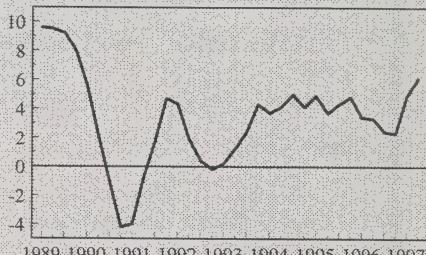
% change, year-over-year



## Gross Domestic Product

(Current \$)

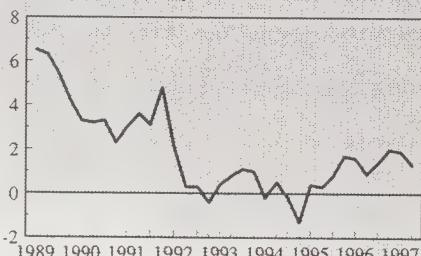
% change, year-over-year



## GDP Deflator

(1986 = 100)

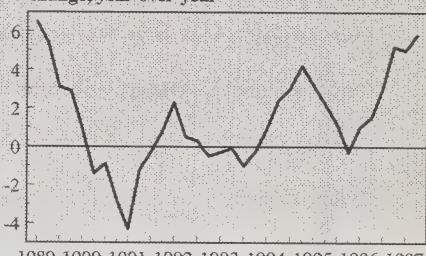
% change, year-over-year



## Final Domestic Demand

(1986 \$)

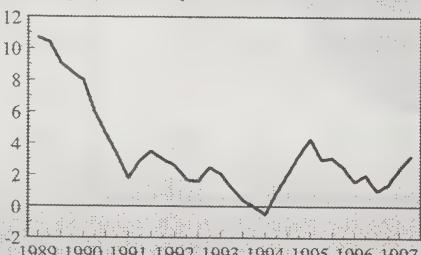
% change, year-over-year



## Personal Income

(Current \$)

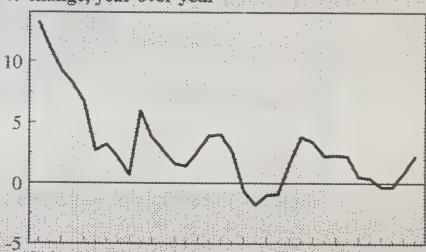
% change, year-over-year



## Personal Disposable Income

(Current \$)

% change, year-over-year

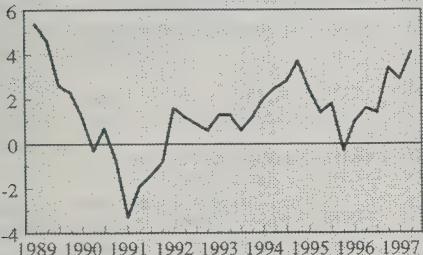


# Ontario Economic Accounts: Summary (1989:1 - 1997:2)

## Consumer Spending

(1986 \$)

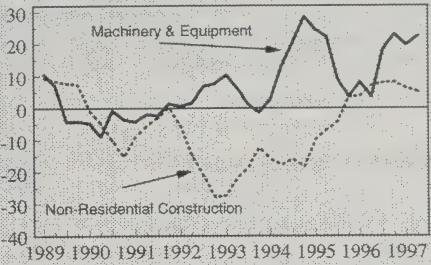
% change, year-over-year



## Business Plant & Equipment

(1986 \$)

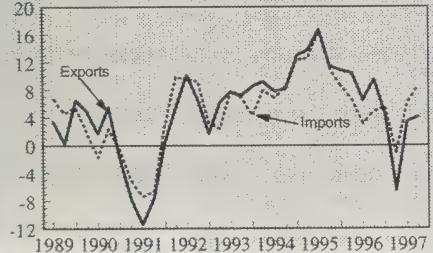
% change, year-over-year



## Trade

(1986 \$)

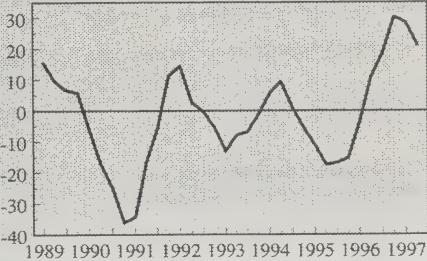
% change, year-over-year



## Residential Construction

(1986 \$)

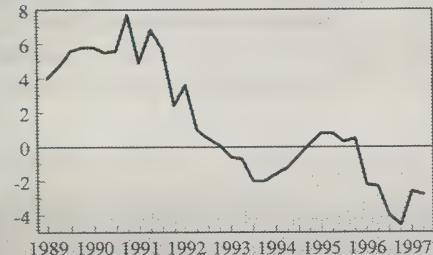
% change, year-over-year



## Government Spending

(1986 \$)

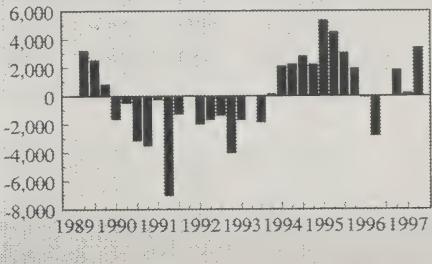
% change, year-over-year



## Change in Inventories

(1986 \$)

millions



## Ontario Economic Accounts, Quarterly Data

**ONTARIO GROSS DOMESTIC PRODUCT, (INCOME BASED)**  
*( $\$$  millions, seasonally adjusted at annual rates)*

TAB

	1996				1997		
	I	II	III	IV	I	II	III
1. Wages, salaries and supplementary labour income ( <i>domestic basis</i> )	176,320 0.1	177,311 0.6	178,859 0.9	182,147 1.8	184,931 1.5	186,984 1.1	
2. Military pay and allowances	1,265 -11.4	1,240 -2.0	1,212 -2.3	1,183 -2.4	1,104 -6.7	1,128 2.2	
3. Corporation profits before taxes	27,589 -11.7	27,419 -0.6	29,282 6.8	29,286 0.0	33,288 13.7	35,659 7.1	
4. Interest and miscellaneous investment income	15,309 -4.3	15,073 -1.5	14,878 -1.3	14,556 -2.2	13,968 -4.0	13,790 -1.3	
5. Accrued net income of farm operators from farm production	-151 -163.7	-209 38.4	-124 -40.7	84 -167.7	67 -20.6	42 -37.3	
6. Net income of non-farm unincorporated business including rent	17,470 0.2	17,693 1.3	17,787 0.5	17,878 0.5	18,097 1.2	18,437 1.9	
7. Inventory valuation adjustment	872	-636	-1,544	-516	-290	-997	
8. Net Domestic Income at factor cost	238,674 -1.3	237,891 -0.3	240,350 1.0	244,618 1.8	251,165 2.7	255,043 1.5	
9. Indirect taxes less subsidies	41,572 2.6	42,061 1.2	43,160 2.6	43,638 1.1	44,178 1.2	44,720 1.2	
10. Capital consumption allowances and miscellaneous valuation adjustments	39,122 1.0	40,183 2.7	40,550 0.9	40,289 -0.6	39,591 -1.7	39,913 0.8	
11. Gross Domestic Product at market prices	319,368 -0.5	320,135 0.2	324,060 1.2	328,545 1.4	334,934 1.9	339,676 1.4	
*	-2.2	1.0	5.0	5.7	8.0	5.8	

Notes : Per cent change from previous quarter at quarterly rates is given on the second line.

\* Annualized per cent change from previous quarter.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT, (EXPENDITURE BASED)**  
 millions, seasonally adjusted at annual rates)

TABLE 2

	1996				1997			
	I	II	III	IV	I	II	III	IV
Personal expenditure on consumer goods and services:	185,600 1.2	186,810 0.7	188,356 0.8	191,350 1.6	193,597 1.2	197,062 1.8		
Goods	84,599 1.4	85,510 1.1	86,175 0.8	88,224 2.4	88,823 0.7	90,646 2.1		
Services	101,001 1.1	101,300 0.3	102,181 0.9	103,126 0.9	104,774 1.6	106,416 1.6		
Government expenditure on goods and services:	62,219 -2.8	62,007 -0.3	60,357 -2.7	60,072 -0.5	59,924 -0.2	59,562 -0.6		
Current expenditure	56,046 -2.7	56,307 0.5	55,132 -2.1	55,078 -0.1	55,004 -0.1	54,570 -0.8		
Capital expenditure	6,173 -4.4	5,700 -7.7	5,225 -8.3	4,994 -4.4	4,920 -1.5	4,992 1.5		
Business gross fixed capital formation:	41,995 5.0	43,248 3.0	45,746 5.8	48,517 6.1	49,787 2.6	51,612 3.7		
Residential construction	13,303 4.8	14,628 10.0	15,432 5.5	16,698 8.2	17,313 3.7	18,153 4.9		
Non-residential construction	6,567 1.4	6,767 3.0	6,921 2.3	7,114 2.8	7,156 0.6	7,284 1.8		
Machinery and equipment	22,125 6.1	21,853 -1.2	23,393 7.0	24,705 5.6	25,318 2.5	26,175 3.4		
Exports of goods and services	213,059 -0.1	214,767 0.8	215,235 0.2	206,423 -4.1	221,614 7.4	224,162 1.1		
Deduct: Imports of goods and services	181,641 1.1	182,114 0.3	183,766 0.9	180,014 -2.0	190,522 5.8	196,664 3.2		
Value of physical change in inventories:	-234	-1,966	-183	2,814	342	3,738		
Non-farm	-28	-1,820	-36	3,128	338	3,886		
Farm and grain in commercial channels	-206	-146	-147	-314	4	-148		
Statistical discrepancy	-1,630	-2,617	-1,685	-617	192	204		
Gross Domestic Product at market prices	319,368 -0.5	320,135 0.2	324,060 1.2	328,545 1.4	334,934 1.9	339,676 1.4		
Gross Domestic Product at 1986 prices	247,855 -1.0	248,036 0.1	249,471 0.6	251,030 0.6	255,205 1.7	259,697 1.8		
*	-3.9	0.3	2.3	2.5	6.8	7.2		

Notes: Per cent change from previous quarter at quarterly rates is given on the second line.

\* Annualized per cent change from previous quarter.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

## Ontario Economic Accounts, Quarterly Data

## ONTARIO GROSS DOMESTIC PRODUCT AT 1986 PRICES

(\$ millions, seasonally adjusted at annual rates)

TABLE

	1996				1997		
	I	II	III	IV	I	II	III
	139,919	140,450	141,167	142,972	143,985	146,260	
1. Personal expenditure on consumer goods and services	1.2	0.4	0.5	1.3	0.7	1.6	
2. Goods	67,516	67,838	68,284	69,468	69,940	71,319	
	1.2	0.5	0.7	1.7	0.7	2.0	
3. Services	72,403	72,612	72,883	73,504	74,045	74,941	
	1.1	0.3	0.4	0.9	0.7	1.2	
4. Government expenditure on goods and services:	49,017	49,013	47,917	47,816	47,747	47,618	
	-2.2	0.0	-2.2	-0.2	-0.1	-0.3	
5. Current expenditure	42,492	42,871	42,118	42,141	42,085	41,880	
	-2.4	0.9	-1.8	0.1	-0.1	-0.5	
6. Capital expenditure	6,525	6,142	5,799	5,675	5,662	5,738	
	-1.1	-5.9	-5.6	-2.1	-0.2	1.3	
7. Business gross fixed capital formation:	44,368	45,503	48,600	51,771	53,311	54,681	
	5.3	2.6	6.8	6.5	3.0	2.6	
8. Residential construction	9,767	10,717	11,281	12,138	12,545	12,976	
	4.8	9.7	5.3	7.6	3.4	3.4	
9. Non-residential construction	5,179	5,283	5,361	5,510	5,505	5,552	
	1.6	2.0	1.5	2.8	-0.1	0.9	
10. Machinery and equipment	29,422	29,503	31,958	34,123	35,261	36,153	
	6.1	0.3	8.3	6.8	3.3	2.5	
11. Exports of goods and services	187,883	188,944	186,998	178,567	194,228	196,633	
	-1.7	0.6	-1.0	-4.5	8.8	1.2	
12. DEDUCT: Imports of goods and services	172,335	172,456	173,364	170,457	182,667	187,299	
	-0.1	0.1	0.5	-1.7	7.2	2.5	
13. Value of physical change in inventories:	-38	-2,777	-8	1,818	203	3,371	
14. Non-farm	10	-2,729	19	1,900	188	3,451	
15. Farm and grain in commercial channels	-48	-48	-27	-82	15	-80	
16. Statistical discrepancy	-959	-641	-1,839	-1,457	-1,602	-1,566	
17. Gross Domestic Product at 1986 prices	247,855	248,036	249,471	251,030	255,205	259,697	
	-1.0	0.1	0.6	0.6	1.7	1.8	
*	-3.9	0.3	2.3	2.5	6.8	7.2	
18. Final domestic demand	233,304	234,966	237,684	242,559	245,043	248,559	
	1.2	0.7	1.2	2.1	1.0	1.4	

Notes: Per cent change from previous quarter at quarterly rates is given on the second line.

\* Annualized per cent change from previous quarter.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**SOURCES AND DISPOSITION OF ONTARIO PERSONAL INCOME**

\$ millions, seasonally adjusted at annual rates)

TABLE 4

	1996				1997			
	I	II	III	IV	I	II	III	IV
1. Wages, salaries and supplementary labour income (national basis)	173,354 0.1	174,323 0.6	175,839 0.9	179,105 1.9	181,842 1.5	183,861 1.1		
2. Add: Military pay and allowances	1,265 -11.4	1,240 -2.0	1,212 -2.3	1,183 -2.4	1,104 -6.7	1,128 2.2		
3. Net income of farm operators from farm production	-73 -169.5	-108 47.9	-98 -9.3	-57 -41.8	-44 -23.6	-17 -61.5		
4. Net income of non-farm unincorporated business including rent	17,470 0.2	17,693 1.3	17,787 0.5	17,878 0.5	18,097 1.2	18,437 1.9		
5. Interest, dividends and miscellaneous investment income	34,679 -2.3	34,199 -1.4	33,712 -1.4	33,100 -1.8	32,799 -0.9	32,832 0.1		
6. Current transfers from government, corporations and non-residents	40,902 1.2	40,750 -0.4	40,285 -1.1	40,489 0.5	40,108 -0.9	40,498 1.0		
7. Equals: Personal income	267,597 -0.2	268,097 0.2	268,737 0.2	271,698 1.1	273,906 0.8	276,738 1.0		
8. Deduct: Personal direct taxes	64,535 1.7	66,243 2.6	66,438 0.3	67,387 1.4	68,873 2.2	70,324 2.1		
9. Other current transfers to government	902 11.4	989 9.6	1,068 8.0	1,172 9.7	1,168 -0.3	1,208 3.4		
10. Equals: Personal disposable income	202,160 -0.8	200,865 -0.6	201,231 0.2	203,139 0.9	203,865 0.4	205,206 0.7		
11. Deduct: Personal expenditure on consumer goods and services	185,600 1.2	186,810 0.7	188,356 0.8	191,350 1.6	193,597 1.2	197,062 1.8		
12. Current transfers to corporations	2,527 -4.8	2,432 -3.8	2,345 -3.6	2,293 -2.2	2,157 -5.9	2,127 -1.4		
13. Current transfers to non-residents	423 2.9	422 -0.2	423 0.2	422 -0.2	442 4.6	446 1.0		
14. Equals: Personal saving	13,610 -21.8	11,201 -17.7	10,107 -9.8	9,074 -10.2	7,669 -15.5	5,571 -27.4		
15. Personal savings rate	6.7	5.6	5.0	4.5	3.8	2.7		

Note: Per cent change from previous quarter at quarterly rates is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

*Ontario Economic Accounts, Quarterly Data*

**ONTARIO TRADE**  
*(in millions, seasonally adjusted at annual rates)*

TABLE 5

	1996				1997			
	I	II	III	IV	I	II	III	IV
1. Exports of Goods and Services	213,059	214,767	215,235	206,423	221,614	224,162		
	-0.1	0.8	0.2	-4.1	7.4	1.1		
2. Of Which: International	149,483	150,537	149,511	139,577	153,138	155,052		
	-0.2	0.7	-0.7	-6.6	9.7	1.2		
3. Goods	130,325	131,437	130,735	119,751	133,384	134,888		
	-0.1	0.9	-0.5	-8.4	11.4	1.1		
4. Services	19,158	19,100	18,776	19,826	19,754	20,164		
	-0.7	-0.3	-1.7	5.6	-0.4	2.1		
5. Of Which: Interprovincial goods and services	63,576	64,230	65,724	66,846	68,476	69,110		
	0.2	1.0	2.3	1.7	2.4	0.9		
6. Imports of Goods and Services	181,641	182,114	183,766	180,014	190,522	196,564		
	1.1	0.3	0.9	-2.0	5.8	3.2		
7. Trade Balance	31,418	32,653	31,469	26,409	31,092	27,488		

Note: Per cent change from previous quarter at quarterly rates is given on the second line.

Source: Office of Economic Policy, Ontario Ministry of Finance

**RELATIONSHIP BETWEEN ONTARIO GROSS DOMESTIC PRODUCT  
AND ONTARIO GROSS PROVINCIAL PRODUCT**  
(\$ millions, seasonally adjusted at annual rates)

TABLE 6

	1996				1997			
	I	II	III	IV	I	II	III	IV
1. Gross Domestic Product at market prices	319,368	320,135	324,060	328,545	334,934	339,676		
	* -0.5	0.2	1.2	1.4	1.9	1.4		
		-2.2	1.0	5.0	5.7	8.0		
							5.8	
2. Less: Investment Income paid to non-residents	17,093	16,826	16,462	16,142	16,447	16,419		
	5.1	-1.6	-2.2	-1.9	1.9	-0.2		
3. Plus: Investment Income received from non-residents	8,110	8,523	7,897	8,129	7,573	7,595		
	-6.8	5.1	-7.3	2.9	-6.8	0.3		
4. Equals: Gross Provincial Product at market prices	310,385	311,832	315,495	320,532	326,060	330,852		
	*	-1.0	0.5	1.2	1.6	1.5		
		-4.0	1.9	4.8	6.5	7.1		
							6.0	

Notes:

Per cent change from previous quarter at quarterly rates is given on the second line.

\* Annualized per cent change from previous quarter.

Source: Office of Economic Policy, Ontario Ministry of Finance

## ONTARIO DEFATORS

(1986 = 100)

TABLE

	1996				1997		
	I	II	III	IV	I	II	III
	132.6	133.0	133.4	133.8	134.5	134.7	
1. Personal expenditure on consumer goods and services:	0.1	0.3	0.3	0.3	0.5	0.2	
2. Goods	125.3	126.1	126.2	127.0	127.0	127.1	
	0.2	0.6	0.1	0.6	0.0	0.1	
3. Services	139.5	139.5	140.2	140.3	141.5	142.0	
	0.0	0.0	0.5	0.1	0.9	0.4	
4. Government expenditure on goods and services:	126.9	126.5	126.0	125.6	125.5	125.1	
	-0.6	-0.3	-0.4	-0.3	-0.1	-0.3	
5. Current expenditure	131.9	131.3	130.9	130.7	130.7	130.3	
	-0.3	-0.4	-0.3	-0.2	0.0	-0.3	
6. Capital expenditure	94.6	92.8	90.1	88.0	86.9	87.0	
	-3.3	-1.9	-2.9	-2.3	-1.3	0.1	
7. Business gross fixed capital formation:	94.7	95.0	94.1	93.7	93.4	94.4	
	-0.3	0.4	-1.0	-0.4	-0.3	1.1	
8. Residential construction	136.2	136.5	136.8	137.6	138.0	139.9	
	0.0	0.2	0.2	0.6	0.3	1.4	
9. Non-residential construction	126.8	128.1	129.1	129.1	130.0	131.2	
	-0.2	1.0	0.8	0.0	0.7	0.9	
10. Machinery and equipment	75.2	74.1	73.2	72.4	71.8	72.4	
	0.0	-1.5	-1.2	-1.1	-0.8	0.8	
11. Exports of goods and services	113.4	113.7	115.1	115.6	114.1	114.0	
	1.6	0.2	1.3	0.4	-1.3	-0.1	
12. DEDUCT: Imports of goods and services	105.4	105.6	106.0	105.6	104.3	105.0	
	1.2	0.2	0.4	-0.4	-1.2	0.7	
13. Value of physical change in inventories:	619.9	70.8	2193.7	154.8	168.0	110.9	
14. Non-farm	-282.4	66.7	-191.8	164.6	179.8	112.6	
15. Farm and grain in commercial channels	432.2	302.9	542.2	378.8	24.6	184.3	
16. Gross Domestic Product at market prices	128.9	129.1	129.9	130.9	131.2	130.8	
	0.5	0.2	0.6	0.8	0.3	-0.3	
*	1.9	0.7	2.6	3.1	1.1	-1.3	
17. Final domestic demand	124.2	124.3	123.9	123.7	123.8	124.0	
	-0.3	0.1	-0.3	-0.2	0.1	0.2	

Notes: Per cent change from previous quarter at quarterly rates is given on the second line.

\* Annualized per cent change from previous quarter.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT, (INCOME BASED)**

(\$ millions)

**TABLE 8**

	<b>1992</b>	<b>1993</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>
1. Wages, salaries and supplementary labour income ( <i>domestic basis</i> )	163,477 1.7	164,634 0.7	167,834 1.9	173,217 3.2	178,659 3.1
2. Military pay and allowances	1,415 5.7	1,394 -1.5	1,406 0.9	1,426 1.4	1,225 -14.1
3. Corporation profits before taxes	15,961 0.3	18,931 18.6	24,494 29.4	28,358 15.8	28,394 0.1
4. Interest and miscellaneous investment income	16,472 4.2	14,941 -9.3	15,639 4.7	16,159 3.3	14,954 -7.5
5. Accrued net income of farm operators from farm production	218 -20.1	323 48.2	134 -58.5	122 -8.8	-100 -181.8
6. Net income of non-farm unincorporated business including rent	15,321 2.7	16,537 7.9	16,889 2.1	17,176 1.7	17,707 3.1
7. Inventory valuation adjustment	-948	-1,211	-2,689	-1,707	-456
8. Net Domestic Income at factor cost	211,915 1.0	215,549 1.7	223,707 3.8	234,751 4.9	240,383 2.4
9. Indirect taxes less subsidies	37,643 4.9	38,633 2.6	40,467 4.7	40,963 1.2	42,608 4.0
10. Capital consumption allowances and miscellaneous valuation adjustments	33,244 1.3	34,387 3.4	36,653 6.6	38,363 4.7	40,036 4.4
11. Gross Domestic Product at market prices	282,803 1.6	288,569 2.0	300,827 4.2	314,077 4.4	323,027 2.8

Note: Percentage change from previous year is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT, (EXPENDITURE BASED)**  
**(*\$ millions*)**
**TABLE 9**

	1992	1993	1994	1995	1996
<b>1. Personal expenditure on consumer goods and services:</b>	<b>166,462</b>	<b>171,502</b>	<b>177,300</b>	<b>182,759</b>	<b>188,029</b>
2.4	2.4	3.0	3.4	3.1	2.9
<b>2. Goods</b>	<b>77,802</b>	<b>79,885</b>	<b>82,486</b>	<b>84,453</b>	<b>86,127</b>
0.8	0.8	2.7	3.3	2.4	2.0
<b>3. Services</b>	<b>88,660</b>	<b>91,617</b>	<b>94,814</b>	<b>98,306</b>	<b>101,902</b>
3.8	3.8	3.3	3.5	3.7	3.7
<b>4. Government expenditure on goods and services:</b>	<b>64,031</b>	<b>63,865</b>	<b>63,263</b>	<b>63,846</b>	<b>61,164</b>
3.4	3.4	-0.3	-0.9	0.9	-4.2
<b>5. Current expenditure</b>	<b>57,971</b>	<b>58,623</b>	<b>57,320</b>	<b>57,320</b>	<b>55,641</b>
3.9	3.9	1.1	-2.2	0.0	-2.9
<b>6. Capital expenditure</b>	<b>6,060</b>	<b>5,242</b>	<b>5,943</b>	<b>6,526</b>	<b>5,523</b>
-1.6	-1.6	-13.5	13.4	9.8	-15.4
<b>7. Business gross fixed capital formation:</b>	<b>41,643</b>	<b>39,075</b>	<b>41,269</b>	<b>40,838</b>	<b>44,876</b>
-5.7	-5.7	-6.2	5.6	-1.0	9.9
<b>8. Residential construction</b>	<b>15,781</b>	<b>14,668</b>	<b>15,388</b>	<b>13,158</b>	<b>15,015</b>
0.6	0.6	-7.1	4.9	-14.5	14.1
<b>9. Non-residential construction</b>	<b>9,257</b>	<b>7,459</b>	<b>6,423</b>	<b>6,315</b>	<b>6,842</b>
-18.4	-18.4	-19.4	-13.9	-1.7	8.3
<b>10. Machinery and equipment</b>	<b>16,605</b>	<b>16,948</b>	<b>19,458</b>	<b>21,365</b>	<b>23,019</b>
-3.0	-3.0	2.1	14.8	9.8	7.7
<b>11. Exports of goods and services</b>	<b>140,970</b>	<b>156,418</b>	<b>177,562</b>	<b>201,428</b>	<b>212,371</b>
6.8	6.8	11.0	13.5	13.4	5.4
<b>12. DEDUCT: Imports of goods and services</b>	<b>126,589</b>	<b>139,925</b>	<b>158,416</b>	<b>176,553</b>	<b>181,884</b>
7.1	7.1	10.5	13.2	11.4	3.0
<b>13. Value of physical change in inventories:</b>	<b>-2,553</b>	<b>-1,061</b>	<b>1,362</b>	<b>3,568</b>	<b>108</b>
<b>14. Non-farm</b>	<b>-2,255</b>	<b>-1,152</b>	<b>1,385</b>	<b>3,643</b>	<b>311</b>
<b>15. Farm and grain in commercial channels</b>	<b>-298</b>	<b>91</b>	<b>-23</b>	<b>-75</b>	<b>-203</b>
<b>16. Statistical discrepancy</b>	<b>-1,161</b>	<b>-1,305</b>	<b>-1,513</b>	<b>-1,809</b>	<b>-1,637</b>
<b>17. Gross Domestic Product at market prices</b>	<b>282,803</b>	<b>288,569</b>	<b>300,827</b>	<b>314,077</b>	<b>323,027</b>
1.6	1.6	2.0	4.2	4.4	2.8
<b>18. Gross Domestic Product at 1986 prices</b>	<b>224,330</b>	<b>226,954</b>	<b>237,411</b>	<b>245,817</b>	<b>249,098</b>
1.0	1.0	1.2	4.6	3.5	1.3

Note: Percentage change from previous year is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT AT 1986 PRICES**  
**(*\$ millions*)**

**TABLE 10**

	1992	1993	1994	1995	1996
<b>1. Personal expenditure on consumer goods and services:</b>	<b>131,681</b>	<b>133,120</b>	<b>136,773</b>	<b>138,567</b>	<b>141,127</b>
	1.1	1.1	2.7	1.3	1.8
<b>2. Goods</b>	<b>63,330</b>	<b>64,153</b>	<b>66,788</b>	<b>67,551</b>	<b>68,277</b>
	0.6	1.3	4.1	1.1	1.1
<b>3. Services</b>	<b>68,351</b>	<b>68,967</b>	<b>69,985</b>	<b>71,016</b>	<b>72,850</b>
	1.5	0.9	1.5	1.5	2.6
<b>4. Government expenditure on goods and services:</b>	<b>50,857</b>	<b>50,171</b>	<b>49,772</b>	<b>50,081</b>	<b>48,441</b>
	1.3	-1.3	-0.8	0.6	-3.3
<b>5. Current expenditure</b>	<b>44,660</b>	<b>44,747</b>	<b>43,686</b>	<b>43,485</b>	<b>42,405</b>
	1.0	0.2	-2.4	-0.5	-2.5
<b>6. Capital expenditure</b>	<b>6,196</b>	<b>5,423</b>	<b>6,085</b>	<b>6,596</b>	<b>6,036</b>
	3.3	-12.5	12.2	8.4	-8.5
<b>7. Business gross fixed capital formation:</b>	<b>39,996</b>	<b>38,282</b>	<b>40,818</b>	<b>42,280</b>	<b>47,560</b>
	-1.4	-4.3	6.6	3.6	12.5
<b>8. Residential construction</b>	<b>12,044</b>	<b>11,150</b>	<b>11,412</b>	<b>9,671</b>	<b>10,976</b>
	2.4	-7.4	2.4	-15.3	13.5
<b>9. Non-residential construction</b>	<b>7,926</b>	<b>6,300</b>	<b>5,233</b>	<b>4,998</b>	<b>5,333</b>
	-17.3	-20.5	-16.9	-4.5	6.7
<b>10. Machinery and equipment</b>	<b>20,026</b>	<b>20,832</b>	<b>24,173</b>	<b>27,611</b>	<b>31,251</b>
	4.2	4.0	16.0	14.2	13.2
<b>11. Exports of goods and services</b>	<b>133,737</b>	<b>144,687</b>	<b>160,142</b>	<b>179,744</b>	<b>185,598</b>
	6.1	8.2	10.7	12.2	3.3
<b>12. DEDUCT: Imports of goods and services</b>	<b>128,748</b>	<b>137,404</b>	<b>151,201</b>	<b>167,116</b>	<b>172,153</b>
	6.0	6.7	10.0	10.5	3.0
<b>13. Value of physical change in inventories:</b>	<b>-2,233</b>	<b>-841</b>	<b>2,332</b>	<b>3,687</b>	<b>-251</b>
<b>14. Non-farm</b>	<b>-1,980</b>	<b>-841</b>	<b>2,240</b>	<b>3,711</b>	<b>-200</b>
<b>15. Farm and grain in commercial channels</b>	<b>-253</b>	<b>0</b>	<b>92</b>	<b>-24</b>	<b>-51</b>
<b>16. Statistical discrepancy</b>	<b>-959</b>	<b>-1,060</b>	<b>-1,224</b>	<b>-1,426</b>	<b>-1,224</b>
<b>17. Gross Domestic Product at 1986 prices</b>	<b>224,330</b>	<b>226,954</b>	<b>237,411</b>	<b>245,817</b>	<b>249,098</b>
	1.0	1.2	4.6	3.5	1.3
<b>18. Final domestic demand</b>	<b>222,534</b>	<b>221,573</b>	<b>227,363</b>	<b>230,928</b>	<b>237,128</b>
	0.7	-0.4	2.6	1.6	2.7

Notes: Percentage change from previous year is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**SOURCES AND DISPOSITION OF ONTARIO PERSONAL INCOME**  
*(*\$ millions*)*
**TABLE 11**

		1992	1993	1994	1995	1996
<b>1.</b>	<b>Wages, salaries and supplementary labour income (<i>national basis</i>)</b>	160,778 1.6	161,893 0.7	165,090 2.0	170,323 3.2	175,654 3.1
<b>2.</b>	<b>Add: Military pay and allowances</b>	1,415 5.7	1,394 -1.5	1,406 0.9	1,426 1.4	1,225 -14.1
<b>3.</b>	<b>Net income of farm operators from farm production</b>	257 40.7	467 81.3	122 -73.9	103 -15.8	-84 -181.8
<b>4.</b>	<b>Net income of non-farm unincorporated business including rent</b>	15,321 2.7	16,537 7.9	16,889 2.1	17,176 1.7	17,707 3.1
<b>5.</b>	<b>Interest, dividends and miscellaneous investment income</b>	33,884 -4.6	32,021 -5.5	32,024 0.0	34,982 9.2	33,923 -3.0
<b>6.</b>	<b>Current transfers from government, corporations and non-residents</b>	39,273 10.5	40,905 4.2	41,310 1.0	41,078 -0.6	40,606 -1.1
<b>7.</b>	<b>Equals: Personal income</b>	250,928 2.1	253,217 0.9	256,841 1.4	265,088 3.2	269,031 1.5
<b>8.</b>	<b>Deduct: Personal direct taxes</b>	56,770 1.2	57,002 0.4	58,997 3.5	62,300 5.6	66,151 6.2
<b>9.</b>	<b>Other current transfers to government</b>	970 4.0	1,032 6.4	1,044 1.2	1,020 -2.3	1,033 1.3
<b>10.</b>	<b>Equals: Personal disposable income</b>	193,188 2.4	195,183 1.0	196,800 0.8	201,768 2.5	201,847 0.0
<b>11.</b>	<b>Deduct: Personal expenditure on consumer goods and services</b>	166,462 2.4	171,502 3.0	177,300 3.4	182,759 3.1	188,029 2.9
<b>12.</b>	<b>Current transfers to corporations</b>	2,468 -26.2	1,965 -20.4	1,855 -5.6	2,549 37.4	2,399 -5.9
<b>13.</b>	<b>Current transfers to non-residents</b>	352 22.3	369 4.8	388 5.1	409 5.3	423 3.4
<b>14.</b>	<b>Equals: Personal saving</b>	23,906 6.3	21,347 -10.7	17,257 -19.2	16,051 -7.0	10,996 -31.5
<b>15.</b>	<b>Personal savings rate</b>	12.4	10.9	8.8	8.0	5.4

Note: Percentage change from previous year is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

*Ontario Economic Accounts, Annual Data***ONTARIO TRADE**

(\$ millions)

**TABLE 12**

	1992	1993	1994	1995	1996
<b>1. Exports of Goods and Services</b>	<b>140,970</b>	<b>156,418</b>	<b>177,562</b>	<b>201,428</b>	<b>212,371</b>
	6.8	11.0	13.5	13.4	5.4
<b>2. Of Which: International</b>	<b>88,259</b>	<b>101,828</b>	<b>120,773</b>	<b>140,849</b>	<b>147,277</b>
	13.7	15.4	18.6	16.6	4.6
<b>3. Goods</b>	<b>75,677</b>	<b>87,501</b>	<b>104,995</b>	<b>123,173</b>	<b>128,062</b>
	15.4	15.6	20.0	17.3	4.0
<b>4. Services</b>	<b>12,582</b>	<b>14,327</b>	<b>15,778</b>	<b>17,676</b>	<b>19,215</b>
	4.1	13.9	10.1	12.0	8.7
<b>5. Of Which: Interprovincial goods and services</b>	<b>52,711</b>	<b>54,590</b>	<b>56,789</b>	<b>60,579</b>	<b>65,094</b>
	-3.0	3.6	4.0	6.7	7.5
<b>6. Imports of Goods and Services</b>	<b>126,589</b>	<b>139,925</b>	<b>158,416</b>	<b>176,553</b>	<b>181,884</b>
	7.1	10.5	13.2	11.4	3.0
<b>7. Trade Balance</b>	<b>14,381</b>	<b>16,493</b>	<b>19,146</b>	<b>24,875</b>	<b>30,487</b>

Note: Percentage change from previous year is given on the second line.

Source: Office of Economic Policy, Ontario Ministry of Finance

*Ontario Economic Accounts, Annual Data*

**RELATIONSHIP BETWEEN ONTARIO GROSS DOMESTIC PRODUCT  
AND ONTARIO GROSS PROVINCIAL PRODUCT**  
**(\$ millions)**

**TABLE 13**

		1992	1993	1994	1995	1996
<b>1.</b>	<b>Gross Domestic Product at market prices</b>	<b>282,803</b>	<b>288,569</b>	<b>300,827</b>	<b>314,077</b>	<b>323,027</b>
		1.6	2.0	4.2	4.4	2.8
<b>2.</b> Less:	<b>Investment income paid to non-residents</b>	<b>13,733</b>	<b>14,088</b>	<b>15,578</b>	<b>16,558</b>	<b>16,631</b>
		2.8	2.6	10.6	6.3	0.4
<b>3.</b> Plus:	<b>Investment income received from non-residents</b>	<b>5,930</b>	<b>6,491</b>	<b>7,019</b>	<b>8,346</b>	<b>8,165</b>
		-8.2	9.5	8.1	18.9	-2.2
<b>4.</b> Equals:	<b>Gross Provincial Product at market prices</b>	<b>274,999</b>	<b>280,972</b>	<b>292,268</b>	<b>305,865</b>	<b>314,561</b>
		1.3	2.2	4.0	4.7	2.8

Note: Percentage change from previous year is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO DEFLATORS**

(1986 = 100)

**TABLE 14**

	1992	1993	1994	1995	1996
<b>1. Personal expenditure on consumer goods and services:</b>	<b>126.4</b>	<b>128.8</b>	<b>129.6</b>	<b>131.9</b>	<b>133.2</b>
	1.3	1.9	0.6	1.7	1.0
<b>2. Goods</b>	<b>122.9</b>	<b>124.5</b>	<b>123.5</b>	<b>125.0</b>	<b>126.1</b>
	0.2	1.4	-0.8	1.2	0.9
<b>3. Services</b>	<b>129.7</b>	<b>132.8</b>	<b>135.5</b>	<b>138.4</b>	<b>139.9</b>
	2.3	2.4	2.0	2.2	1.1
<b>4. Government expenditure on goods and services:</b>	<b>125.9</b>	<b>127.3</b>	<b>127.1</b>	<b>127.5</b>	<b>126.3</b>
	2.1	1.1	-0.2	0.3	-1.0
<b>5. Current expenditure</b>	<b>129.8</b>	<b>131.0</b>	<b>131.2</b>	<b>131.8</b>	<b>131.2</b>
	2.9	0.9	0.2	0.5	-0.5
<b>6. Capital expenditure</b>	<b>97.8</b>	<b>96.7</b>	<b>97.6</b>	<b>98.9</b>	<b>91.4</b>
	-4.7	-1.2	1.0	1.4	-7.6
<b>7. Business gross fixed capital formation:</b>	<b>104.1</b>	<b>102.1</b>	<b>101.2</b>	<b>96.6</b>	<b>94.4</b>
	-4.3	-2.0	-0.9	-4.5	-2.3
<b>8. Residential construction</b>	<b>131.0</b>	<b>131.5</b>	<b>134.9</b>	<b>136.1</b>	<b>136.8</b>
	-1.8	0.4	2.5	0.9	0.5
<b>9. Non-residential construction</b>	<b>116.8</b>	<b>118.4</b>	<b>122.8</b>	<b>126.4</b>	<b>128.3</b>
	-1.3	1.4	3.7	2.9	1.5
<b>10. Machinery and equipment</b>	<b>83.0</b>	<b>81.4</b>	<b>80.6</b>	<b>77.4</b>	<b>73.7</b>
	-6.8	-2.0	-0.9	-4.1	-4.7
<b>11. Exports of goods and services</b>	<b>105.4</b>	<b>108.1</b>	<b>110.9</b>	<b>112.1</b>	<b>114.4</b>
	0.6	2.6	2.6	1.1	2.1
<b>12. DEDUCT: Imports of goods and services</b>	<b>98.3</b>	<b>101.8</b>	<b>104.8</b>	<b>105.7</b>	<b>105.7</b>
	0.9	3.6	2.9	0.9	0.0
<b>13. Value of physical change in inventories:</b>	<b>126.7</b>	<b>-10.8</b>	<b>58.7</b>	<b>100.1</b>	<b>759.8</b>
<b>14. Non-farm</b>	<b>134.1</b>	<b>134.9</b>	<b>62.9</b>	<b>100.6</b>	<b>-60.7</b>
<b>15. Farm and grain in commercial channels</b>	<b>185.7</b>	<b>145.7</b>	<b>-48.3</b>	<b>18.0</b>	<b>414.0</b>
<b>16. Gross Domestic Product at market prices</b>	<b>126.1</b>	<b>127.1</b>	<b>126.7</b>	<b>127.8</b>	<b>129.7</b>
	0.6	0.9	-0.3	0.8	1.5
<b>17. Final domestic demand</b>	<b>122.3</b>	<b>123.9</b>	<b>124.0</b>	<b>124.5</b>	<b>124.0</b>
	0.7	1.2	0.1	0.4	-0.4

Note: Percentage change from previous year is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

## Ontario Economic Accounts, Quarterly Data

## ONTARIO PRODUCTION BY INDUSTRY, 1986\$

(\$millions, seasonally adjusted at annual rates)

TABLE 15

	1996				1997			
	I	II	III	IV	I	II	III	IV
1. Primary	5,496	5,397	5,407	5,439	5,398	5,353		
	1.5	-1.8	0.2	0.6	-0.7	-0.8		
2. Manufacturing	54,667	54,961	55,589	55,147	56,391	57,821		
	-0.5	0.5	1.1	-0.8	2.3	2.5		
3. Construction	8,400	8,654	8,973	8,801	9,079	9,450		
	-1.7	3.0	3.7	-1.9	3.2	4.1		
4. Utilities	5,434	5,386	5,363	5,501	5,490	5,602		
	-1.0	-0.9	-0.4	2.6	-0.2	2.0		
5. Goods Producing Industries	73,997	74,397	75,333	74,888	76,359	78,226		
	-0.5	0.5	1.3	-0.6	2.0	2.4		
6. Transportation, Storage and Communication	16,043	16,495	16,955	16,964	17,478	17,858		
	0.3	2.8	2.8	0.1	3.0	2.2		
7. Wholesale & Retail Trade	27,399	27,679	28,419	28,980	29,782	30,745		
	1.4	1.0	2.7	2.0	2.8	3.2		
8. Finance, Insurance and Real Estate	33,776	34,147	34,292	35,307	35,424	35,560		
	1.2	1.1	0.4	3.0	0.3	0.4		
9. Community, Business and Personal Services	49,759	49,570	49,808	50,404	51,022	51,564		
	0.3	-0.4	0.5	1.2	1.2	1.1		
10. Government Services	11,134	11,492	11,376	11,390	11,340	11,170		
	-6.2	3.2	-1.0	0.1	-0.4	-1.5		
11. Services Producing Industries	138,111	139,382	140,851	143,045	145,045	146,897		
	0.2	0.9	1.1	1.6	1.4	1.3		
12. Miscellaneous Industries	1,462	1,111	1,121	1,047	1,064	1,077		
13. Total Production (1986\$) at Factor Cost	213,570	214,890	217,305	218,980	222,468	226,199		
	-0.4	0.6	1.1	0.8	1.6	1.7		
	*	-1.5	2.5	4.6	3.1	6.5	6.9	
14. Indirect Taxes Less Subsidies plus Miscellaneous Adjustments	34,285	33,146	32,166	32,050	32,737	33,498		
15. Gross Domestic Product (1986\$) at Market Prices	247,855	248,036	249,471	251,030	255,205	259,697		
	-1.0	0.1	0.6	0.6	1.7	1.8		
	*	-3.9	0.3	2.3	2.5	6.8	7.2	

Notes: Percentage change from previous quarter is given on second line

\* Annualized per cent change from previous quarter

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO PRODUCTION BY INDUSTRY, 1986\$**

(\$millions)

**TABLE 16**

	<b>1992</b>	<b>1993</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>
<b>1. Primary</b>	<b>5,006</b> -1.1	<b>5,093</b> 1.7	<b>5,236</b> 2.8	<b>5,362</b> 2.4	<b>5,435</b> 1.4
<b>2. Manufacturing</b>	<b>45,034</b> 2.6	<b>47,040</b> 4.5	<b>51,365</b> 9.2	<b>54,783</b> 6.7	<b>55,091</b> 0.6
<b>3. Construction</b>	<b>10,282</b> -6.8	<b>9,135</b> -11.2	<b>9,283</b> 1.6	<b>8,773</b> -5.5	<b>8,707</b> -0.7
<b>4. Utilities</b>	<b>5,131</b> -3.2	<b>5,244</b> 2.2	<b>5,507</b> 5.0	<b>5,449</b> -1.1	<b>5,421</b> -0.5
<b>5. Goods Producing Industries</b>	<b>65,452</b> 0.2	<b>66,512</b> 1.6	<b>71,391</b> 7.3	<b>74,368</b> 4.2	<b>74,654</b> 0.4
<b>6. Transportation, Storage and Communication</b>	<b>14,097</b> 1.1	<b>14,346</b> 1.8	<b>15,071</b> 5.1	<b>15,725</b> 4.3	<b>16,614</b> 5.7
<b>7. Wholesale &amp; Retail Trade</b>	<b>23,546</b> 1.1	<b>24,428</b> 3.7	<b>26,456</b> 8.3	<b>27,246</b> 3.0	<b>28,119</b> 3.2
<b>8. Finance, Insurance and Real Estate</b>	<b>31,518</b> -0.1	<b>32,202</b> 2.2	<b>32,754</b> 1.7	<b>33,069</b> 1.0	<b>34,381</b> 4.0
<b>9. Community, Business and Personal Services</b>	<b>46,918</b> 0.2	<b>47,375</b> 1.0	<b>48,050</b> 1.4	<b>49,175</b> 2.3	<b>49,885</b> 1.4
<b>10. Government Services</b>	<b>12,316</b> 0.5	<b>12,279</b> -0.3	<b>12,161</b> -1.0	<b>11,977</b> -1.5	<b>11,348</b> -5.2
<b>11. Services Producing Industries</b>	<b>128,395</b> 0.4	<b>130,629</b> 1.7	<b>134,492</b> 3.0	<b>137,191</b> 2.0	<b>140,347</b> 2.3
<b>12. Miscellaneous Industries</b>	<b>1,326</b>	<b>1,311</b>	<b>1,286</b>	<b>1,243</b>	<b>1,185</b>
<b>13. Total Production (86\$) at Factor Cost</b>	<b>195,173</b> 0.4	<b>198,452</b> 1.7	<b>207,169</b> 4.4	<b>212,802</b> 2.7	<b>216,186</b> 1.6
<b>14. Indirect Taxes Less Subsidies plus Miscellaneous Adjustments</b>	<b>29,157</b>	<b>28,502</b>	<b>30,242</b>	<b>33,015</b>	<b>32,912</b>
<b>15. Gross Domestic Product (1986\$) at Market Prices</b>	<b>224,330</b> 1.0	<b>226,954</b> 1.2	<b>237,411</b> 4.6	<b>245,817</b> 3.5	<b>249,098</b> 1.3





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This document is also available on the Internet at <http://www.gov.on.ca/FIN/english/oecoeng.htm>

# ONTARIO ECONOMIC ACCOUNTS

*Third Quarter of 1997*

(July, August, September 1997)

CAZON  
TRIT  
-BTS



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Ministry of Finance  
Office of Economic Policy  
Macroeconomic Analysis and Policy Branch  
February, 1998

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## THIRD QUARTER HIGHLIGHTS

- In the July-September period, Ontario recorded another strong quarter of economic growth, with real GDP increasing by 1.4% (5.7% at annualized rates), following a 1.6% advance in the second quarter, and a 1.8% rise in 1997:1.
- Third quarter growth was driven by robust domestic demand, with both the consumer and business sectors thriving. Exports also contributed to growth.
- Buoyed by rising confidence and continued income and employment gains, household spending accelerated in 1997:3, with expenditures on consumer goods and services rising at a rapid pace.
- Household after-tax income rose 0.6% in the third quarter, up for the fourth straight quarter. Labour income continued its strong growth, rising 0.8%.
- Business plant and equipment investment remained on a steady upward trend, reflecting increased business confidence and higher Ontario corporation profits. Machinery and equipment investment jumped 7.6%, while spending on non-residential structures rose 2.6%.

## OVERVIEW: Economy Strong in Third Quarter of 1997

The Ontario economy maintained its trend of strong growth in the third quarter of 1997 (July-September), with real GDP rising by 1.4% (5.7% at annualized rates). This followed revised growth of 1.6% in the second quarter (6.7% annualized).

Strong economic activity in 1997:3 was led by a vibrant domestic sector. Consumer spending surged, with the increase concentrated in housing-related items, autos, and clothing and footwear. Housing markets remained healthy, with new home construction and renovation activity both rising.

In the business sector, investment in plant and equipment continued to expand, fuelled by higher corporation profits. Businesses also added to inventories.

In the external trade sector, export growth picked up. Exports of auto parts, computers, telecommunication equipment, chemicals and food rose. Imports increased at a faster pace

than exports, resulting in a decline in the overall trade surplus. The relative strengthening of imports over the past year is a reflection of Ontario's strong domestic demand.

On an industry basis, GDP growth was widespread, led by the wholesale and retail trade, manufacturing and construction sectors. Solid performances were also recorded in finance and business services.

The 1.4% advance in Ontario real GDP in the third quarter exceeded the 1.0% gain in Canadian output, largely the result of stronger domestic demand.

**QUARTERLY ONTARIO KEY ECONOMIC INDICATORS**

(% change from previous period)

	1995	1996	1996:4	1997:1	1997:2	1997:3
<b>Real GDP (1992\$)</b>	3.2	1.1	0.6	1.8	1.6	1.4
Personal spending	1.7	1.8	0.9	0.5	1.7	1.9
Government spending	0.3	-2.3	0.1	-0.1	0.1	0.6
Residential construction	-14.3	14.2	9.7	-2.2	5.6	2.1
Non-residential construction	0.6	14.2	5.3	0.7	1.3	2.6
Machinery & equipment	9.0	6.1	6.3	2.6	2.5	7.6
Exports	9.4	4.5	-4.2	8.9	0.9	2.1
Imports	8.0	3.4	-2.2	6.1	3.3	3.8
Business Inventories (\$1992 billions)	4.5	-0.3	1.9	-0.2	3.9	5.0
<b>Nominal GDP (Current\$)</b>	<b>5.7</b>	<b>2.5</b>	<b>1.2</b>	<b>2.0</b>	<b>1.4</b>	<b>1.1</b>
Corporation profits	21.1	-3.4	-1.4	14.5	6.7	4.8
Personal income	3.9	1.0	0.8	0.9	1.0	0.7
Personal disposable income	3.9	-0.2	0.1	0.5	0.4	0.6
<b>Prices</b>						
GDP deflator	2.4	1.4	0.5	0.1	-0.2	-0.3
Consumer Price Index (Y/Y%)	2.4	1.6	2.2	2.4	2.0	2.1

**Ontario Economic Accounts Revisions**

With the release of the third quarter *Ontario Economic Accounts*, real GDP data have been revised for the 1992-1996 period, to reflect changes in Statistics Canada's national accounts. This includes the incorporation of more recent data, as well as methodological changes.

For 1996, Ontario real GDP growth was revised from 1.3% to 1.1%, while nominal GDP growth was revised from 2.8% to 2.5%.

The revised Ontario Economic Accounts is available for the 1992-1997 period. Data for 1961-1991 will be available in the fourth quarter of 1997 release.

## Household Spending Accelerates in Third Quarter

In the third quarter, Ontario households continued to increase spending on consumer goods and services, and housing, bolstered by strong labour income gains and strengthening consumer confidence.

**Real consumer spending** accelerated in the third quarter, rising 1.9%, up for the seventh consecutive quarter. Spending on both goods and services increased, particularly for autos and housing-related items such as furniture and home appliances.

The increase in spending was supported by a 0.6% rise in **after-tax income** in 1997:3, the fourth straight quarterly advance. Labour income, the largest component of income, rose 0.8%.

Ontario households have become steadily more optimistic about economic conditions. The Conference Board of Canada reports that Ontario **consumer confidence** rose 3.0% in 1997:4, reaching its highest level in nine years.

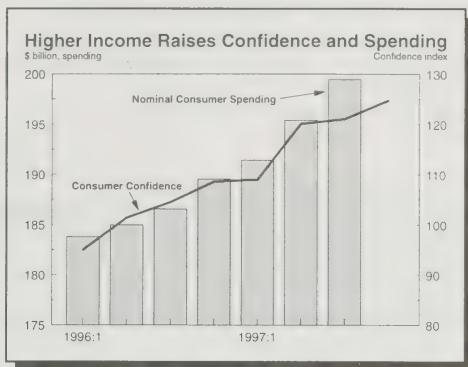
With nominal consumer spending rising faster than after-tax income, the Ontario **savings rate** fell from 4.7% in 1997:2 to 3.3% in 1997:3.

In the **housing market**, real residential construction rose 2.1% in the third quarter. The increase was concentrated in new construction and home renovations. Although resale activity eased slightly on a quarter-over-quarter basis, the volume of home resales remained at a high level, up 3.6% from a year ago.

## Strength In Business Investment Continues

Higher profits, growing foreign and domestic demand, and favourable financing conditions, contributed to rising business investment.

**Real plant and equipment investment** jumped 6.4% in the third quarter of 1997, triple the 2.2% increase recorded in 1997:2. Machinery and equipment investment rose 7.6%, led by increased outlays for computers, telecommunications equipment and trucks. Non-residential construction rose 2.6% in the third quarter.



### Ontario Consumer Indicators (quarter-over-quarter change)

1997:3

Consumer Confidence	+0.1%
Personal Income	+0.7%
Nominal Consumer Spending	+2.1%
of which: retail sales	+3.2%

Business real inventories rose by \$5.0 billion in the third quarter, following a strong \$3.9 billion addition in the previous quarter. Stock building took place in the retail and wholesale trade sector (largely autos). Lower inventories were recorded in manufacturing, where stock levels had been boosted in the previous quarter due to a production bottleneck which led to an inventory build-up in the form of nearly completed autos.

**Corporation profits** in Ontario rose by a solid 4.8% in the third quarter, with increases led by the auto, food, and iron and steel industries.

### High-Tech Leads Exports Gain in Third Quarter

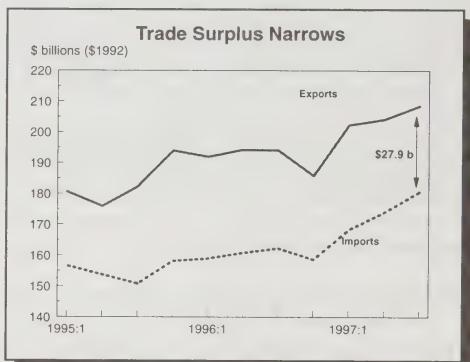
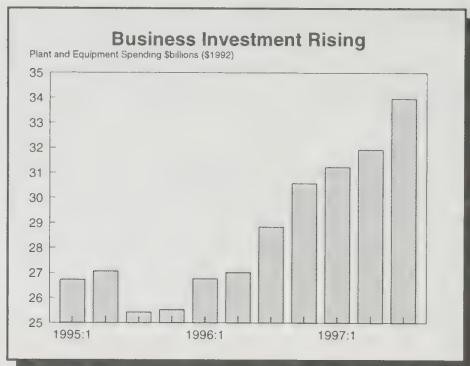
Ontario real exports, (which include both international and interprovincial exports) rose 2.1% in 1997:3. At the national level, high-technology equipment (computers, telecommunications) recorded strong gains, as well as chemicals, auto parts and trucks. Exports of passenger cars, industrial machinery and aircraft declined in the quarter.

**Imports** to Ontario increased 3.8% in 1997:3. Growth was concentrated in autos and investment goods.

With real imports rising faster than exports the real trade surplus reached a level of \$27.9 billion (1992\$), down from \$31.8 billion a year ago. The shrinkage in the trade balance is the result of strong import growth, reflecting rising domestic demand in Ontario.

### Low Inflation Continues

The aggregate price level, as measured by the **GDP price deflator**, declined 0.3% during the quarter, after a 0.2% decrease in the previous quarter, largely the result of lower export price for manufactured goods. Domestic prices remained moderate. Over the first three quarters of 1997, GDP prices rose 0.8% from a year earlier, lower than the 2.2% average increase in the CPI. The CPI excludes the impact of lower business machinery and equipment prices, which declined 0.8% over this period.



Prices for consumer goods and services edged ahead by 0.2%, with higher prices reported for food, clothing, natural gas, tobacco and gasoline. Prices of footwear, auto service, recreation and sporting equipment, entertainment, and financial and legal services fell. Housing prices advanced by 0.1%.

Export prices declined by 1.5%, with lower prices for food, auto parts, and machinery and equipment. Import prices fell 1.2%.

### Strong Industrial Growth Continues in 1997:3

On an industry basis, total real production (\$/1992) at factor cost in Ontario rose by 1.4% in the third quarter of 1997, the same as measured at market prices. Strong growth in manufacturing, and wholesale and retail trade offset declines in the utilities and government sectors.

#### Output Growth by Major Sector

(% change from previous period, \$1992)

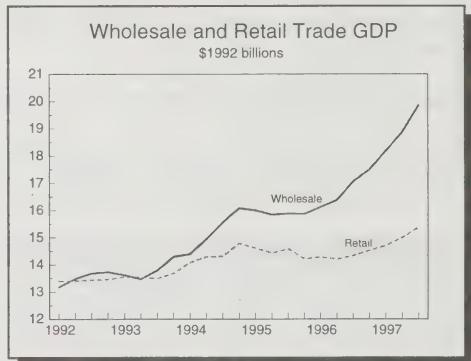
	1995	1996	1996:4	1997:1	1997:2	1997:3
<b>Goods Sector</b>	<b>4.5</b>	<b>0.8</b>	<b>0.1</b>	<b>2.4</b>	<b>2.6</b>	<b>1.2</b>
Primary Industries	1.9	1.1	-1.2	-1.4	0.1	-0.1
Manufacturing	7.8	0.3	-0.3	2.9	2.7	1.9
Construction	-5.7	4.1	1.1	3.4	3.3	1.3
Utilities	-1.1	-0.9	2.9	-0.5	2.0	-3.7
<b>Service Sector</b>	<b>1.8</b>	<b>1.8</b>	<b>1.6</b>	<b>1.2</b>	<b>0.9</b>	<b>1.5</b>
Transportation, Storage and Communications	3.6	5.3	0.1	3.1	2.0	0.9
Wholesale and Retail Trade	2.5	2.5	2.0	2.7	3.0	4.0
Finance, Insurance and Real Estate	0.3	3.1	2.8	-0.2	0.2	0.9
Community, Business and Personal Services	2.9	1.4	1.3	1.3	0.7	1.2
Government	-1.9	-5.0	-0.4	-0.3	-1.4	-0.7

## Wholesale and Retail Trade Continue to Soar

Wholesale and retail trade activity rose 4.0% in 1997:3, accounting for over a third of all GDP growth in 1997:3.

**Retail trade** recorded its fifth consecutive quarter of strong growth, with activity jumping 2.5%. Retail sales growth was led by strong home furnishing, appliance, auto and auto parts sales.

**Wholesale trade** continued to grow at exceptional rates jumping 5.2% in 1997:3, following increased activity in the first and second quarters of 3.9% and 3.8% respectively.

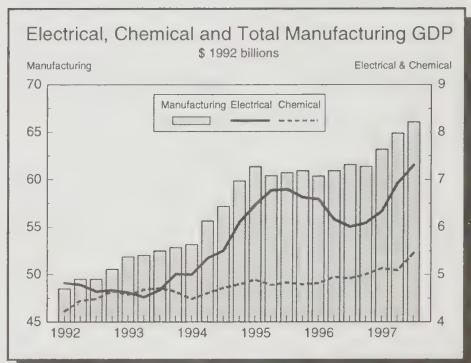


## Goods Sector Led by Large Gains in Chemical and Electrical Manufacturing

Manufacturing output rose by 1.9% in 1997:3, driven by a sharp rise in chemical and electrical products output.

**Chemical** output jumped 7.1% in the third quarter, primarily due to a surge in pharmaceutical production.

**Electrical products manufacturing** record its fourth consecutive quarter of strong growth, rising 5.4%. Strength in Ontario computer equipment manufacturing boosted electrical products output by 8.7% in the third quarter. Strong export growth since the end of 1996 has lifted computer production by 26.4%.



In the **transportation equipment** sector, production fell 0.5% due primarily to auto maintenance shutdowns in August and September. Aircraft manufacturing activity rose sharply by 7.5%, partially offsetting the auto sector decline.

Of 19 major manufacturing industries, 13 recorded strong growth in the third quarter and five declined. Machinery, furniture and leather manufacturers recorded some of the strongest gains in 1997:3.

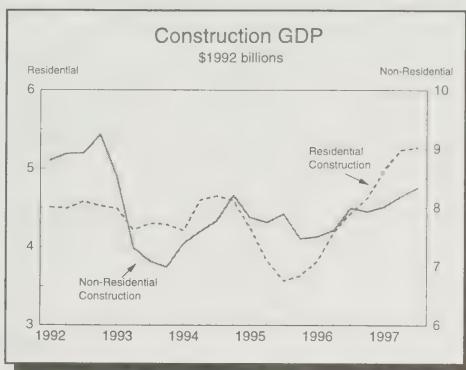
## Non-Residential Activity Led Third Quarter Construction Rise

**Non-residential** construction activity rose 1.8% in 1997:3, following a revised second quarter increase of 2.2%. **Residential** construction activity rose a modest 0.6% after strong gains of 7.6% and 5.2% in the first and second quarters respectively.

### Utilities and Primary Sectors Weak in Third Quarter

**Utility** sector output fell 3.7% in the third quarter due largely to a cool late summer which reduced air conditioning use. The third quarter activity drop was magnified by a 2.0% jump in the previous quarter, driven by a cooler than normal spring.

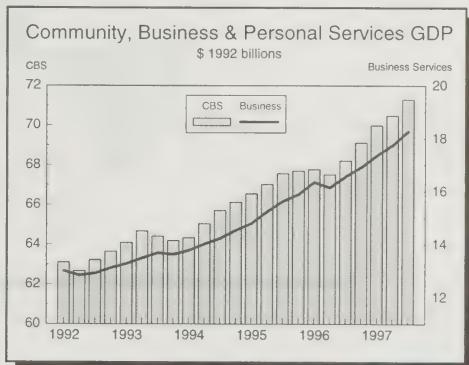
**Primary sector** production fell 0.1% in the third quarter of 1997 due primarily to a 0.8% drop in agriculture production. Partially offsetting the drop in agriculture was a 2.1% rise in mining activity. Mining production rose in the third quarter with the impact of an August Falconbridge strike alleviated by a strong rebound from a second quarter Inco strike and gains in gold production.



### Business Services Records Fifth Consecutive Quarter of Strong Growth

**Community, business and personal services** rose 1.2% in the third quarter of 1997, following gains of 1.3% and 0.7% in the first and second quarters respectively. The sector was led by a 3.0% third quarter jump in business services.

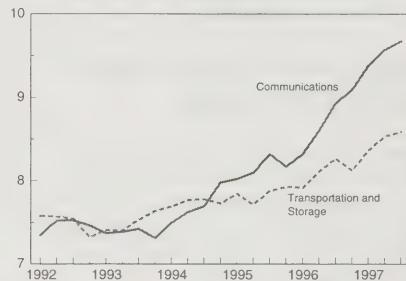
**Finance, insurance and real estate** industries rose 0.9% in the third quarter of 1997, following a second quarter advance of 0.2%. Strong growth in the brokerage and mutual fund activity were balanced by lower real estate commission.



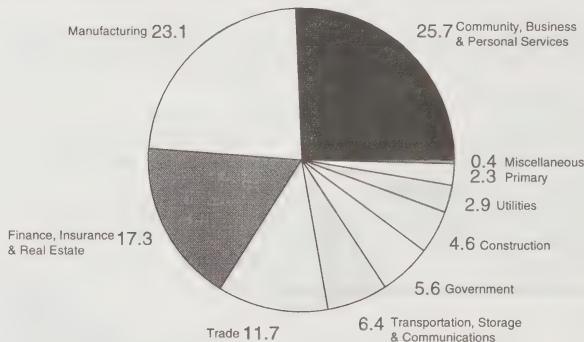
## Solid Growth in the Communications Sector

Total output in the **transportation, storage and communications** sector advanced 0.9% in 1997:3, following a revised second quarter jump of 2.0%. Communications activities led the sector, rising 1.1% while transportation and storage rose 0.6%.

Transportation, Storage and Communications GDP  
\$1992 billions



Industrial Structure of Ontario Economy, 1996  
% share



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### Ontario Production by Industry, 1992\$

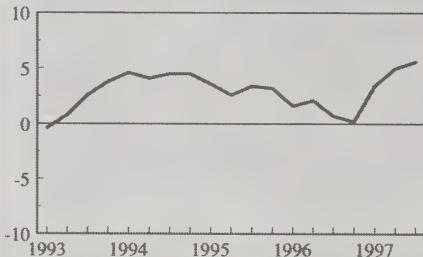
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# Ontario Economic Accounts: Summary (1993:1 - 1997:3)

Gross Domestic Product

(1992 \$)

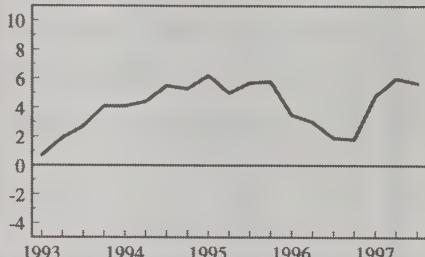
% change, year-over-year



Gross Domestic Product

(Current \$)

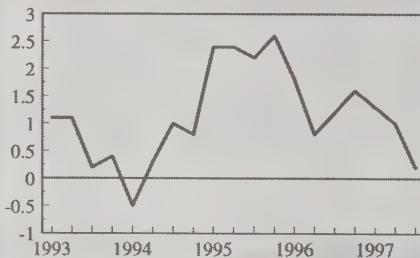
% change, year-over-year



GDP Deflator

(1992 = 100)

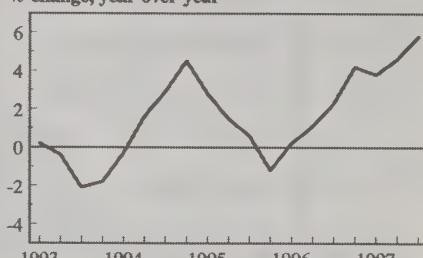
% change, year-over-year



Final Domestic Demand

(1992 \$)

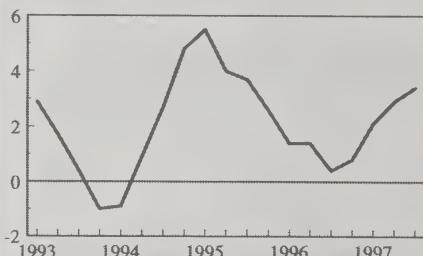
% change, year-over-year



Personal Income

(Current \$)

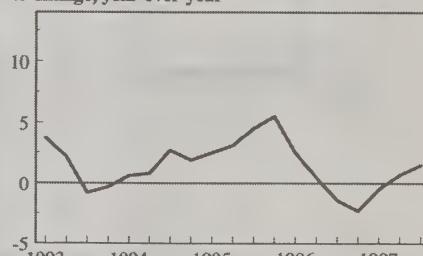
% change, year-over-year



Personal Disposable Income

(Current \$)

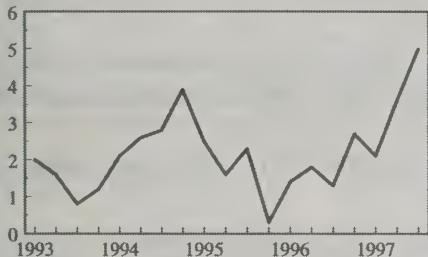
% change, year-over-year



# Ontario Economic Accounts: Summary (1993:1 - 1997:3)

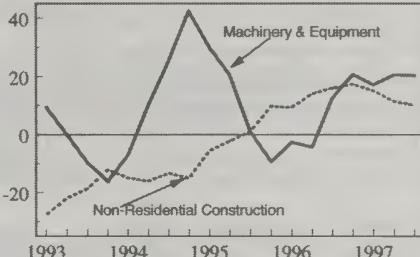
**Consumer Spending**  
(1992 \$)

% change, year-over-year



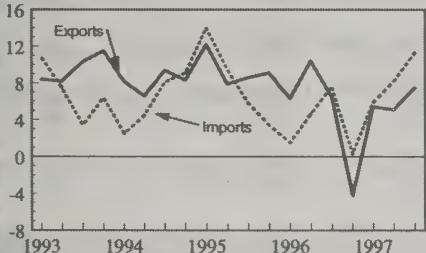
**Business Plant & Equipment**  
(1992 \$)

% change, year-over-year



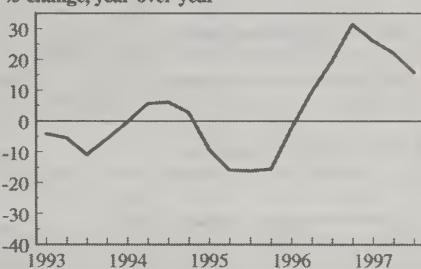
**Trade**  
(1992 \$)

% change, year-over-year



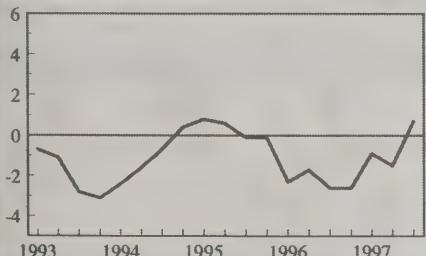
**Residential Construction**

(1992 \$)  
% change, year-over-year



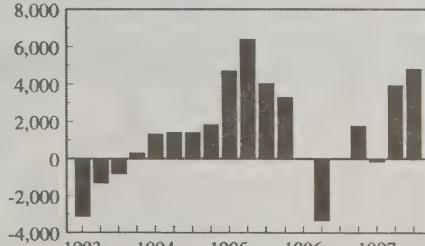
**Government Spending**  
(1992 \$)

% change, year-over-year



**Change in Inventories**

(1992 \$)  
millions



*Ontario Economic Accounts, Quarterly Data*
**ONTARIO GROSS DOMESTIC PRODUCT, (INCOME BASED)**  
*( $\$$  millions, seasonally adjusted at annual rates)*

TABLE

	1992				1993			
	I	II	III	IV	I	II	III	IV
1. Wages, salaries and supplementary labour income ( <i>domestic basis</i> )	161,603	162,868	163,271	163,519	163,956	164,735	164,709	164,460
		0.8	0.2	0.2	0.3	0.5	0.0	-0.1
2. Corporation profits before taxes	16,055	15,779	13,612	12,786	15,637	16,541	18,034	22,300
		-1.7	-13.7	-6.1	22.3	5.8	9.0	23.3
3. Interest and miscellaneous investment income	19,383	18,473	18,028	16,989	16,114	16,748	16,539	15,744
		-4.7	-2.4	-5.8	-5.2	3.9	-1.2	-4.0
4. Accrued net income of farm operators from farm production	152	181	228	310	300	309	321	312
		19.1	26.0	36.0	-3.2	3.0	3.9	12.2
5. Net income of non-farm unincorporated business including rent	15,731	15,997	16,376	16,740	16,949	17,241	17,501	17,700
		1.7	2.4	2.2	1.2	1.7	1.5	1.1
6. Inventory valuation adjustment	-1,063	-1,033	-1,317	-1,462	-2,355	-418	-1,455	-1,111
7. Net Domestic Income at factor cost	211,861	212,265	210,198	208,882	210,601	215,156	215,649	219,150
		0.2	-1.0	-0.6	0.8	2.2	0.2	1.0
8. Indirect taxes less subsidies	40,335	41,267	42,765	43,836	43,074	42,704	43,241	43,216
		2.3	3.6	2.5	-1.7	-0.9	1.3	-0.1
9. Capital consumption allowances and miscellaneous valuation adjustments	33,708	33,489	33,494	33,458	34,114	34,607	35,407	35,666
		-0.6	0.0	-0.1	2.0	1.4	2.3	0.7
10. Gross Domestic Product at market prices	285,904	287,021	286,457	286,176	287,789	292,467	294,297	298,033
		0.4	-0.2	-0.1	0.6	1.6	0.6	1.3
*		1.6	-0.8	-0.4	2.3	6.7	2.5	5.2

Notes : Per cent change from previous quarter at quarterly rates is given on the second line.  
 \* Annualized per cent change from previous quarter.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

## ONTARIO GROSS DOMESTIC PRODUCT, (INCOME BASED)

\$ millions, seasonally adjusted at annual rates)

TABLE 1

	1994				1995			
	I	II	III	IV	I	II	III	IV
1. Wages, salaries and supplementary labour income ( <i>domestic basis</i> )	163,588	166,723	168,179	170,201	171,256	171,674	174,364	175,619
	-0.3	1.9	0.9	1.2	0.6	0.2	1.6	0.7
2. Corporation profits before taxes	24,160	25,623	25,812	27,322	28,763	29,120	32,444	34,340
	8.3	6.1	0.7	5.8	5.3	1.2	11.4	5.8
3. Interest and miscellaneous investment income	16,370	17,281	17,106	15,661	17,220	16,669	16,815	16,625
	3.7	5.6	-1.0	-8.4	10.0	-3.2	0.9	-1.1
4. Accrued net income of farm operators from farm production	218	173	129	32	22	99	170	274
	-39.7	-20.9	-25.2	-75.3	-31.3	352.6	70.9	61.2
5. Net income of non-farm unincorporated business including rent	17,788	18,138	18,452	18,656	18,880	19,082	19,317	19,589
	0.2	2.0	1.7	1.1	1.2	1.1	1.2	1.4
6. Inventory valuation adjustment	-2,625	-3,391	-2,200	-2,583	-3,245	-961	-469	-61
7. Net Domestic Income at factor cost	219,499	224,547	227,478	229,289	232,896	235,683	242,641	246,386
	0.2	2.3	1.3	0.8	1.6	1.2	3.0	1.5
8. Indirect taxes less subsidies	43,872	44,117	45,575	46,563	46,214	46,016	45,840	45,520
	1.5	0.6	3.3	2.2	-0.7	-0.4	-0.4	-0.7
9. Capital consumption allowances and miscellaneous valuation adjustments	36,211	36,696	37,545	38,121	38,951	39,026	39,837	40,374
	1.5	1.3	2.3	1.5	2.2	0.2	2.1	1.3
10. Gross Domestic Product at market prices	299,582	305,360	310,598	313,973	318,061	320,725	328,318	332,280
	0.5	1.9	1.7	1.1	1.3	0.8	2.4	1.2
	*	2.1	7.9	7.0	4.4	5.3	9.8	4.9

Notes: Per cent change from previous quarter at quarterly rates is given on the second line.

\* Annualized per cent change from previous quarter.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT, (INCOME BASED)**

(\$ millions, seasonally adjusted at annual rates)

TABLE

	1996				1997		
	I	II	III	IV	I	II	III
	175,279	176,568	178,139	180,553	183,037	185,026	186,504
1. Wages, salaries and supplementary labour income ( <i>domestic basis</i> )	-0.2	0.7	0.9	1.4	1.4	1.1	0.8
2. Corporation profits before taxes	29,863	29,270	30,855	30,438	34,861	37,195	38,964
	-13.0	-2.0	5.4	-1.4	14.5	6.7	4.8
3. Interest and miscellaneous investment income	16,049	15,852	15,757	15,836	15,096	15,010	15,187
	-3.5	-1.2	-0.6	0.5	-4.7	-0.6	1.2
4. Accrued net income of farm operators from farm production	-176	-246	-149	99	64	92	63
	-164.5	39.4	-39.6	-166.8	-35.7	44.3	-31.9
5. Net income of non-farm unincorporated business including rent	19,827	20,269	20,587	20,897	21,240	21,499	21,700
	1.2	2.2	1.6	1.5	1.6	1.2	0.9
6. Inventory valuation adjustment	743	-766	-1,674	-646	-341	-1,032	-777
7. Net Domestic Income at factor cost	241,585	240,947	243,515	247,177	253,957	257,790	261,641
	-1.9	-0.3	1.1	1.5	2.7	1.5	1.5
8. Indirect taxes less subsidies	46,633	47,049	48,177	48,591	49,022	49,538	49,732
	2.4	0.9	2.4	0.9	0.9	1.1	0.4
9. Capital consumption allowances and miscellaneous valuation adjustments	40,946	42,224	42,792	42,638	42,029	42,666	42,324
	1.4	3.1	1.3	-0.4	-1.4	1.5	-0.8
10. Gross Domestic Product at market prices	329,164	330,220	334,484	338,406	345,008	349,994	353,697
	-0.9	0.3	1.3	1.2	2.0	1.4	1.1
*	-3.7	1.3	5.3	4.8	8.0	5.9	4.3

Notes : Per cent change from previous quarter at quarterly rates is given on the second line.

\* Annualized per cent change from previous quarter.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT, (EXPENDITURE BASED)**  
*(millions, seasonally adjusted at annual rates)*

TABLE 2

	1992				1993				
	I	II	III	IV	I	II	III	IV	
Personal expenditure on consumer goods and services:	160,001	161,540	164,372	165,146	166,630	168,155	169,686	171,805	
Goods		1.0	1.8	0.5	0.9	0.9	0.9	1.2	
Services	74,056	74,177	75,398	75,268	75,909	76,139	76,385	77,299	
Services		0.2	1.6	-0.2	0.9	0.3	0.3	1.2	
Government expenditure on goods and services:	85,945	87,363	88,974	89,878	90,721	92,016	93,301	94,506	
Current expenditure		1.6	1.8	1.0	0.9	1.4	1.4	1.3	
Capital expenditure	65,023	64,908	65,726	65,328	65,683	65,798	65,953	65,724	
Business gross fixed capital formation:	72,177	71,965	72,892	72,369	72,300	72,058	71,906	71,375	
Residential construction		-0.3	1.3	-0.7	-0.1	-0.3	-0.2	-0.7	
Non-residential construction	15,529	15,551	16,249	15,636	14,853	14,715	14,626	14,950	
Machinery and equipment		0.1	4.5	-3.8	-5.0	-0.9	-0.6	2.2	
Exports of goods and services	10,548	9,590	8,799	7,992	7,758	7,589	7,316	7,192	
DEDUCT: Imports of goods and services	136,098	140,738	139,016	149,128	150,998	155,030	156,030	166,674	
Value of physical change in inventories:		3.4	-1.2	7.3	1.3	2.7	0.6	6.8	
Non-farm	118,784	124,235	126,613	135,281	138,095	139,464	138,985	148,934	
Farm and grain in commercial channels		4.6	1.9	6.8	2.1	1.0	-0.3	7.2	
Statistical discrepancy	-5,555	-3,752	-4,353	-5,299	-2,831	-974	-1,443	110	
Gross Domestic Product at market prices		-4,998	-3,587	-4,051	-5,130	-2,940	-1,128	-1,482	48
Gross Domestic Product at 1992 prices	-557	-165	-302	-169	109	154	39	62	
Statistical discrepancy	-239	-367	-334	-448	-327	-381	-452	-816	
GDP at market prices	285,904	287,021	286,457	286,176	287,789	292,467	294,297	298,039	
GDP at 1992 prices		0.4	-0.2	-0.1	0.6	1.6	0.6	1.3	
* Per cent change from previous quarter at quarterly rates is given on the second line.									
* Annualized per cent change from previous quarter.									

Source: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT, (EXPENDITURE BASED)**  
(\$ millions, seasonally adjusted at annual rates)

TAB

	1994				1995			
	I	II	III	IV	I	II	III	IV
1. Personal expenditure on consumer goods and services:	173,065	174,057	174,960	177,421	178,763	179,813	182,194	184,421
	0.7	0.6	0.5	1.4	0.8	0.6	1.3	1.4
2. Goods	78,065	78,268	78,732	80,503	81,102	80,866	81,607	83,102
	1.0	0.3	0.6	2.2	0.7	-0.3	0.9	1.0
3. Services	95,000	95,789	96,228	96,918	97,661	98,947	100,587	101,300
	0.5	0.8	0.5	0.7	0.8	1.3	1.7	1.8
4. Government expenditure on goods and services:	71,334	71,603	71,503	71,716	72,337	72,559	72,102	72,402
	-0.1	0.4	-0.1	0.3	0.9	0.3	-0.6	0.0
5. Current expenditure	65,285	65,017	64,257	63,661	64,603	65,203	64,830	64,830
	-0.7	-0.4	-1.2	-0.9	1.5	0.9	-0.6	0.0
6. Capital expenditure	6,049	6,586	7,246	8,055	7,734	7,356	7,272	7,272
	7.1	8.9	10.0	11.2	-4.0	-4.9	-1.1	-1.1
7. Business gross fixed capital formation:	38,667	40,779	41,935	43,338	41,612	42,206	40,374	40,374
	2.2	5.5	2.8	3.3	-4.0	1.4	-4.3	-4.3
8. Residential construction	15,125	16,044	15,962	16,001	13,993	13,661	13,743	13,743
	1.2	6.1	-0.5	0.2	-12.6	-2.4	0.6	0.6
9. Non-residential construction	6,756	6,645	6,633	6,432	6,599	6,558	6,690	6,690
	-6.1	-1.6	-0.2	-3.0	2.6	-0.6	2.0	2.0
10. Machinery and equipment	16,786	18,090	19,340	20,905	21,020	21,987	19,941	19,941
	7.0	7.8	6.9	8.1	0.6	4.6	-9.3	-9.3
11. Exports of goods and services	164,120	174,594	180,194	190,960	197,931	193,843	199,178	200,178
	-1.5	6.4	3.2	6.0	3.7	-2.1	2.8	2.8
12. DEDUCT: Imports of goods and services	147,650	155,662	158,540	169,196	177,127	172,278	168,671	168,671
	-0.9	5.4	1.8	6.7	4.7	-2.7	-2.1	-2.1
13. Value of physical change in inventories:	1,229	446	1,096	168	5,185	5,344	3,883	3,883
14. Non-farm	1,119	403	1,121	359	5,303	5,304	3,823	3,823
15. Farm and grain in commercial channels	110	43	-25	-191	-118	40	60	60
16. Statistical discrepancy	-1,183	-457	-550	-434	-640	-762	-742	-742
17. Gross Domestic Product at market prices	299,582	305,360	310,598	313,973	318,061	320,725	328,318	330,318
	0.5	1.9	1.7	1.1	1.3	0.8	2.4	2.4
18. Gross Domestic Product at 1992 prices	299,289	301,495	305,695	309,878	310,204	309,256	316,192	318,222
	1.0	0.7	1.4	1.4	0.1	-0.3	2.2	2.2
*	3.9	3.0	5.7	5.6	0.4	-1.2	9.3	9.3

Notes: Per cent change from previous quarter at quarterly rates is given on the second line.

\* Annualized per cent change from previous quarter.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

## ONTARIO GROSS DOMESTIC PRODUCT, (EXPENDITURE BASED)

(millions, seasonally adjusted at annual rates)

TABLE 2

	1996								1997							
					I	II	III	IV					I	II	III	IV
Personal expenditure on consumer goods and services:		183,810	184,984	186,588	189,553				191,456	195,416	199,456					
Goods		1.2	0.6	0.9	1.6				1.0	2.1	2.1					
Services		81,160	82,155	82,965	85,117				85,512	87,560	90,102					
1.5		1.2	1.0	2.6				0.5	2.4	2.9						
Government expenditure on goods and services:		102,650	102,829	103,623	104,436				105,944	107,856	109,354					
Current expenditure		1.0	0.2	0.8	0.8				1.4	1.8	1.4					
-2.5		0.1	-2.3	-0.2				0.2	-0.4	1.0						
Capital expenditure		7,027	6,731	6,403	6,341				6,302	6,428	6,506					
-0.9		-4.2	-4.9	-1.0				-0.6	2.0	1.2						
Business gross fixed capital formation:		41,812	43,152	46,034	49,261				49,716	51,820	54,337					
Residential construction		4.0	3.2	6.7	7.0				0.9	4.2	4.9					
13,740		14,972	16,065	17,647				17,398	18,572	18,981						
1.4		9.0	7.3	9.8				-1.4	6.7	2.2						
Non-residential construction		7,121	7,462	7,760	8,115				8,232	8,405	8,648					
3.0		4.8	4.0	4.6				1.4	2.1	2.9						
Machinery and equipment		20,951	20,718	22,209	23,499				24,086	24,843	26,708					
6.2		-1.1	7.2	5.8				2.5	3.1	7.5						
Exports of goods and services		213,079	215,027	215,735	207,163				222,734	225,762	227,066					
0.0		0.9	0.3	-4.0				7.5	1.4	0.6						
DEDUCT: Imports of goods and services		179,082	181,180	181,860	178,146				187,989	196,686	201,686					
1.2		1.2	0.4	-2.0				5.5	4.6	2.5						
Value of physical change in inventories:		-532	-1,307	-478	1,982				-231	4,644	4,647					
Non-farm		-266	-1,101	-271	2,356				-341	4,584	4,883					
Farm and grain in commercial channels		-266	-206	-207	-374				110	60	-236					
Statistical discrepancy		-630	-1,233	-698	-416				192	203	326					
Gross Domestic Product at market prices		329,164	330,220	334,484	338,406				345,008	349,994	353,697					
-0.9		0.3	1.3	1.2				2.0	1.4	1.1						
Gross Domestic Product at 1992 prices		315,317	315,783	318,319	320,335				326,178	331,471	336,070					
-1.4		0.1	0.8	0.6				1.8	1.6	1.4						
*		-5.4	0.6	3.3	2.6				7.5	6.7	5.7					

es: Per cent change from previous quarter at quarterly rates is given on the second line.

\* Annualized per cent change from previous quarter.

ources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT AT 1992 PRICES**  
 (\$ millions, seasonally adjusted at annual rates)

TABLE

	1992				1993			
	I	II	III	IV	I	II	III	
1. Personal expenditure on consumer goods and services	161,258	162,189	163,755	163,858	164,436	164,846	165,047	165,800
		0.6	1.0	0.1	0.4	0.2	0.1	0.0
2. Goods	74,424	74,360	75,185	74,933	75,232	75,162	74,814	75,000
		-0.1	1.1	-0.3	0.4	-0.1	-0.5	0.0
3. Services	86,834	87,829	88,570	88,925	89,204	89,684	90,233	90,700
		1.1	0.8	0.4	0.3	0.5	0.6	0.0
4. Government expenditure on goods and services:	72,255	72,148	72,706	72,292	71,785	71,345	70,676	70,000
		-0.1	0.8	-0.6	-0.7	-0.6	-0.9	-0.0
5. Current expenditure	65,276	65,153	65,475	65,079	65,162	65,147	64,851	64,500
		-0.2	0.5	-0.6	0.1	0.0	-0.5	-0.0
6. Capital expenditure	6,979	6,995	7,231	7,213	6,623	6,198	5,825	5,500
		0.2	3.4	-0.2	-8.2	-6.4	-6.0	-5.0
7. Business gross fixed capital formation:	41,570	40,898	41,754	41,210	39,495	37,939	36,754	36,500
		-1.6	2.1	-1.3	-4.2	-3.9	-3.1	-0.0
8. Residential construction	15,472	15,542	16,252	15,700	14,837	14,685	14,481	14,800
		0.4	4.6	-3.4	-5.5	-1.0	-1.4	2.0
9. Non-residential construction	10,553	9,590	8,807	7,979	7,644	7,499	7,173	7,000
		-9.1	-8.2	-9.4	-4.2	-1.9	-4.3	-2.0
10. Machinery and equipment	15,545	15,766	16,695	17,531	17,014	15,755	15,100	14,600
		1.4	5.9	5.0	-3.0	-7.4	-4.2	-2.0
11. Exports of goods and services	137,255	141,307	139,125	147,294	148,767	152,890	153,422	164,200
		3.0	-1.5	5.9	1.0	2.8	0.3	7.0
12. DEDUCT: Imports of goods and services	120,841	124,932	127,366	131,774	133,943	134,358	131,739	140,200
		3.4	1.9	3.5	1.6	0.3	-1.9	6.0
13. Value of physical change in inventories:	-3,495	-4,617	-4,449	-6,398	-3,089	-1,283	-779	2,000
14. Non-farm	-2,893	-4,547	-4,226	-6,100	-2,757	-1,371	-806	0
15. Farm and grain in commercial channels	-602	-70	-223	-298	-332	88	27	2,000
16. Statistical discrepancy	-729	274	-195	-794	-1,361	-1,840	-719	-2,000
17. Gross Domestic Product at 1992 prices	287,273	287,267	285,330	285,688	286,090	289,539	292,662	296,400
		0.0	-0.7	0.1	0.1	1.2	1.1	1.0
		0.0	-2.7	0.5	0.6	4.9	4.4	5.0
18. Final domestic demand	275,083	275,235	278,215	277,360	275,716	274,130	272,477	272,400
		0.1	1.1	-0.3	-0.6	-0.6	-0.6	0.0

Notes: Per cent change from previous quarter at quarterly rates is given on the second line.

# Annualized per cent change from previous quarter.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT AT 1992 PRICES**  
*(millions, seasonally adjusted at annual rates)*

**TABLE 3**

	1994				1995			
	I	II	III	IV	I	II	III	IV
Personal expenditure on consumer goods and services	167,842	169,184	169,716	172,223	172,014	171,901	173,560	172,768
	1.2	0.8	0.3	1.5	-0.1	-0.1	1.0	-0.5
Goods	76,759	77,956	78,418	80,182	80,142	79,514	80,164	78,831
	2.3	1.6	0.6	2.2	-0.1	-0.8	0.8	-1.7
Services	91,083	91,228	91,298	92,041	91,872	92,387	93,396	93,937
	0.3	0.2	0.1	0.8	-0.2	0.6	1.1	0.6
Government expenditure on goods and services:	70,043	70,205	70,170	70,334	70,606	70,652	70,125	70,244
	-0.1	0.2	0.0	0.2	0.4	0.1	-0.7	0.2
Current expenditure	64,130	63,805	63,182	62,596	63,212	63,613	63,126	63,318
	-0.7	-0.5	-1.0	-0.9	1.0	0.6	-0.8	0.3
Capital expenditure	5,913	6,400	6,988	7,738	7,394	7,039	6,999	6,926
	7.1	8.2	9.2	10.7	-4.4	-4.8	-0.6	-1.0
Business gross fixed capital formation:	37,107	39,143	40,509	42,102	40,147	40,106	38,305	38,355
	1.7	5.5	3.5	3.9	-4.6	-0.1	-4.5	0.1
Residential construction	14,784	15,517	15,363	15,210	13,415	13,047	12,880	12,839
	-0.1	5.0	-1.0	-1.0	-11.8	-2.7	-1.3	-0.3
Non-residential construction	6,503	6,298	6,222	5,966	6,145	6,158	6,288	6,545
	-7.3	-3.1	-1.2	-4.1	3.0	0.2	2.1	4.1
Machinery and equipment	15,820	17,328	18,924	20,926	20,587	20,901	19,137	18,971
	7.7	9.5	9.2	10.6	-1.6	1.5	-8.4	-0.9
Exports of goods and services	160,902	163,020	167,778	177,803	180,594	175,901	182,231	193,971
	-2.0	1.3	2.9	6.0	1.6	-2.6	3.6	6.4
DEDUCT: Imports of goods and services	137,349	140,362	142,444	152,980	156,611	153,682	150,734	158,145
	-2.1	2.2	1.5	7.4	2.4	-1.9	-1.9	4.9
Value of physical change in inventories:	1,310	1,401	1,390	1,807	4,691	6,373	4,017	3,285
Non-farm	860	1,339	1,361	1,641	4,596	6,194	3,953	3,454
Farm and grain in commercial channels	450	62	29	166	95	179	64	-169
Statistical discrepancy	-566	-1,096	-1,424	-1,411	-1,237	-1,995	-1,312	-760
Gross Domestic Product at 1992 prices	299,289	301,495	305,695	309,878	310,204	309,256	316,192	319,718
	1.0	0.7	1.4	1.4	0.1	-0.3	2.2	1.1
	3.9	3.0	5.7	5.6	0.4	-1.2	9.3	4.5
Final domestic demand	274,992	278,532	280,395	284,659	282,767	282,659	281,990	281,367
	0.9	1.3	0.7	1.5	-0.7	0.0	-0.2	-0.2

es: Per cent change from previous quarter at quarterly rates is given on the second line.

\* Annualized per cent change from previous quarter.

rces: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT AT 1992 PRICES**  
 (\$ millions, seasonally adjusted at annual rates)

TAB

	1996				1997		
	I	II	III	IV	I	II	III
1. Personal expenditure on consumer goods and services	174,498	174,916	175,843	177,347	178,145	181,168	184,629
	1.0	0.2	0.5	0.9	0.5	1.7	1.9
2. Goods	79,801	80,230	80,863	82,318	82,700	84,436	86,553
	1.2	0.5	0.8	1.8	0.5	2.1	2.5
3. Services	94,697	94,686	94,980	95,029	95,445	96,732	98,076
	0.8	0.0	0.3	0.1	0.4	1.3	1.4
4. Government expenditure on goods and services:	68,952	69,419	68,299	68,394	68,322	68,375	68,779
	-1.8	0.7	-1.6	0.1	-0.1	0.1	0.6
5. Current expenditure	61,946	62,668	61,772	61,864	61,838	61,789	62,113
	-2.2	1.2	-1.4	0.2	0.0	-0.1	0.5
6. Capital expenditure	7,006	6,751	6,527	6,530	6,484	6,586	6,666
	1.2	-3.6	-3.3	0.0	-0.7	1.6	1.2
7. Business gross fixed capital formation:	39,853	41,305	44,208	47,452	47,734	49,360	51,766
	3.9	3.6	7.0	7.3	0.6	3.4	4.9
8. Residential construction	13,086	14,287	15,374	16,871	16,507	17,438	17,806
	1.9	9.2	7.6	9.7	-2.2	5.6	2.1
9. Non-residential construction	6,718	7,020	7,293	7,677	7,729	7,826	8,029
	2.7	4.5	3.9	5.3	0.7	1.3	2.6
10. Machinery and equipment	20,049	19,998	21,541	22,904	23,498	24,096	25,931
	5.7	-0.3	7.7	6.3	2.6	2.5	7.6
11. Exports of goods and services	191,963	194,243	194,006	185,796	202,302	204,125	208,509
	-1.0	1.2	-0.1	-4.2	8.9	0.9	2.1
12. DEDUCT: Imports of goods and services	158,902	160,763	162,230	158,634	168,298	173,905	180,560
	0.5	1.2	0.9	-2.2	6.1	3.3	3.8
13. Value of physical change in inventories:	12	-3,296	32	1,737	-126	3,914	4,802
14. Non-farm	126	-3,170	103	1,920	-186	3,854	4,953
15. Farm and grain in commercial channels	-114	-126	-71	-183	60	60	-151
16. Statistical discrepancy	-1,059	-41	-1,839	-1,757	-1,901	-1,566	-1,855
17. Gross Domestic Product at 1992 prices	315,317	315,783	318,319	320,335	326,178	331,471	336,070
	-1.4	0.1	0.8	0.6	1.8	1.6	1.4
	-5.4	0.6	3.3	2.6	7.5	6.7	5.7
18. Final domestic demand	283,303	285,640	288,350	293,193	294,201	298,903	305,174
	0.7	0.8	0.9	1.7	0.3	1.6	2.1

Notes: Per cent change from previous quarter at quarterly rates is given on the second line.  
 \* Annualized per cent change from previous quarter.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**SOURCES AND DISPOSITION OF ONTARIO PERSONAL INCOME**

(\$ millions, seasonally adjusted at annual rates)

TABLE 4

	1992				1993			
	I	II	III	IV	I	II	III	IV
1. Wages, salaries and supplementary labour income ( <i>national basis</i> )	159,252	160,299	160,456	160,502	161,037	161,932	162,027	161,585
		0.7	0.1	0.0		0.3	0.6	-0.3
2. Net income of farm operators from farm production	143	142	212	313	338	354	367	384
		-0.9	49.5	47.6		8.2	4.8	3.7
3. Net income of non-farm unincorporated business including rent	15,731	15,997	16,376	16,740	16,949	17,241	17,501	17,753
		1.7	2.4	2.2		1.2	1.7	1.4
4. Interest, dividends and miscellaneous investment income	31,537	31,655	31,538	32,325	31,395	29,983	29,417	28,402
		0.4	-0.4	2.5		-2.9	-4.5	-3.4
5. Current transfers from government, corporations and non-residents	34,069	35,183	37,127	37,817	37,985	37,884	37,364	37,105
		3.3	5.5	1.9		0.4	-0.3	-1.4
6. Equals: Personal income	240,732	243,276	245,709	247,697	247,704	247,394	246,676	245,229
		1.1	1.0	0.8		0.0	-0.1	-0.3
7. Deduct: Personal direct taxes	41,282	39,578	38,568	38,996	38,658	37,409	39,577	41,536
		-4.1	-2.6	1.1		-0.9	-3.2	5.8
8. Other current transfers to government	8,945	9,622	10,338	11,166	11,402	11,606	11,887	6,672
		7.6	7.4	8.0		2.1	1.8	2.4
9. Equals: Personal disposable income	190,505	194,076	196,803	197,535	197,644	198,379	195,212	197,021
		1.9	1.4	0.4		0.1	0.4	0.9
10. Deduct: Personal expenditure on consumer goods and services	160,001	161,540	164,372	165,146	166,630	168,155	169,686	171,805
		1.0	1.8	0.5		0.9	0.9	1.2
11. Current transfers to corporations	3,983	3,757	3,201	3,058	3,109	2,949	2,699	2,736
		-5.7	-14.8	-4.5		1.7	-5.2	-8.5
12. Current transfers to non-residents	358	347	333	324	335	339	341	346
		-3.1	-3.8	-2.8		3.5	1.2	0.6
13. Equals: Personal saving	26,163	28,432	28,897	29,007	27,570	26,936	22,486	22,134
		8.7	1.6	0.4		-5.0	-2.3	-16.5
14. Personal savings rate	13.7	14.6	14.7	14.7	13.9	13.6	11.5	11.2

Note: Per cent change from previous quarter at quarterly rates is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**SOURCES AND DISPOSITION OF ONTARIO PERSONAL INCOME**  
 (\$ millions, seasonally adjusted at annual rates)

TABLE

	1994				1995			
	I	II	III	IV	I	II	III	IV
1. Wages, salaries and supplementary labour income (national basis)	161,436 -0.1	163,653 1.4	165,322 1.0	167,341 1.2	168,400 0.6	168,819 0.2	171,440 1.6	172,671 0.0
2. Net income of farm operators from farm production	76 -80.2	87 13.9	131 51.6	104 -20.8	77 -25.9	112 45.1	110 -1.2	120 10.0
3. Net income of non-farm unincorporated business including rent	17,788 0.2	18,138 2.0	18,452 1.7	18,656 1.1	18,880 1.2	19,082 1.1	19,317 1.2	19,581 1.1
4. Interest, dividends and miscellaneous investment income	28,633 0.8	29,601 3.4	30,862 4.3	31,763 2.9	32,498 2.3	33,244 2.3	33,526 0.8	33,451 -0.0
5. Current transfers from government, corporations and non-residents	37,454 0.9	38,045 1.6	38,474 1.1	39,075 1.6	39,033 -0.1	38,319 -1.8	38,326 0.0	37,751 -1.1
6. Equals: Personal income	245,387 0.1	249,524 1.7	253,241 1.5	256,939 1.5	258,888 0.8	259,576 0.3	262,719 1.2	263,591 0.0
7. Deduct: Personal direct taxes	39,249 -5.5	40,138 2.3	41,050 2.3	41,656 1.5	41,824 0.4	42,534 1.7	43,851 3.1	44,071 0.0
8. Other current transfers to government	7,385 10.7	9,339 26.5	11,690 25.2	14,592 24.8	13,419 -8.0	10,893 -18.8	9,294 -14.7	7,831 -15.0
9. Equals: Personal disposable income	198,753 0.9	200,047 0.7	200,501 0.2	200,697 0.1	203,645 1.5	206,149 1.2	209,574 1.7	211,681 1.0
10. Deduct: Personal expenditure on consumer goods and services	173,065 0.7	174,057 0.6	174,960 0.5	177,421 1.4	178,763 0.8	179,813 0.6	182,194 1.3	181,571 -0.0
11. Current transfers to corporations	2,602 -4.9	2,725 4.7	3,402 24.8	3,506 3.1	3,835 9.4	4,212 9.8	4,201 -0.3	3,981 -5.0
12. Current transfers to non-residents	372 7.8	382 2.7	397 3.7	407 2.5	415 2.0	407 -1.9	402 -1.2	396 -1.5
13. Equals: Personal saving	22,714 2.6	22,883 0.7	21,742 -5.0	19,363 -10.9	20,632 6.6	21,717 5.3	22,777 4.9	25,721 13.6
14. Personal savings rate	11.4	11.4	10.8	9.6	10.1	10.5	10.9	12.0

Note: Per cent change from previous quarter at quarterly rates is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**SOURCES AND DISPOSITION OF ONTARIO PERSONAL INCOME**  
*(millions, seasonally adjusted at annual rates)*

TABLE 4

	1996				1997			
	I	II	III	IV	I	II	III	IV
Wages, salaries and supplementary labour income (national basis)	172,331 -0.2	173,592 0.7	175,131 0.9	177,537 1.4	179,980 1.4	181,936 1.1	183,389 0.8	
Net income of farm operators from farm production	-95 -178.1	-149 56.7	-147 -1.0	-98 -33.6	-109 11.4	-87 -20.0	-59 -31.9	
Net income of non-farm unincorporated business including rent	19,827 1.2	20,269 2.2	20,587 1.6	20,897 1.5	21,240 1.6	21,499 1.2	21,700 0.9	
Interest, dividends and miscellaneous investment income	32,447 -3.0	31,733 -2.2	31,038 -2.2	30,252 -2.5	29,704 -1.8	29,287 -1.4	29,299 0.0	
Current transfers from government, corporations and non-residents	38,021 0.7	37,700 -0.8	37,091 -1.6	37,100 0.0	37,219 0.3	38,112 2.4	38,384 0.7	
Equals: Personal income	262,531 -0.4	263,145 0.2	263,700 0.2	265,688 0.8	268,034 0.9	270,747 1.0	272,713 0.7	
Deduct: Personal direct taxes	44,917 1.9	46,166 2.8	46,393 0.5	47,129 1.6	48,348 2.6	49,569 2.5	50,173 1.2	
Other current transfers to government	8,791 12.2	9,737 10.8	10,617 9.0	11,756 10.7	11,919 1.4	12,543 5.2	12,677 1.1	
Equals: Personal disposable income	208,823 -1.4	207,242 -0.8	206,690 -0.3	206,803 0.1	207,767 0.5	208,635 0.4	209,863 0.6	
Deduct: Personal expenditure on consumer goods and services	183,810 1.2	184,984 0.6	186,588 0.9	189,553 1.6	191,456 1.0	195,416 2.1	199,456 2.1	
Current transfers to corporations	3,885 -2.5	3,827 -1.5	3,777 -1.3	3,776 0.0	3,320 -12.1	3,069 -7.6	3,103 1.1	
Current transfers to non-residents	411 3.9	415 1.0	420 1.2	424 1.0	439 3.5	440 0.2	440 0.0	
Equals: Personal saving	20,717 -19.5	18,016 -13.0	15,905 -11.7	13,050 -17.9	12,552 -3.8	9,710 -22.6	6,864 -29.3	
Personal savings rate	9.9	8.7	7.7	6.3	6.0	4.7	3.3	

a: Per cent change from previous quarter at quarterly rates is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

*Ontario Economic Accounts, Quarterly Data*

**ONTARIO TRADE**  
*(in millions, seasonally adjusted at annual rates)*

TABLE 5

	1992				1993			
	I	II	III	IV	I	II	III	IV
1. Exports of Goods and Services	136,098	140,738	139,016	149,128	150,988	155,030	156,030	166,674
3.4	3.4	-1.2	7.3	1.3	2.7	0.6	6.8	
2. Of Which: International	84,558	87,864	86,268	95,446	97,578	101,220	100,978	110,596
3.9	3.9	-1.8	10.6	2.2	3.7	-0.2	9.5	
3. Goods	71,996	74,848	73,576	82,088	83,800	86,458	85,336	93,890
4.0	4.0	-1.7	11.6	2.1	3.2	-1.3	10.0	
4. Services	12,562	13,016	12,692	13,358	13,778	14,762	15,642	16,706
3.6	3.6	-2.5	5.2	3.1	7.1	6.0	6.8	
5. Of Which: Interprovincial goods and services	51,540	52,874	52,748	53,682	53,420	53,810	55,052	56,078
2.6	2.6	-0.2	1.8	-0.5	0.7	2.3	1.9	
6. Imports of Goods and Services	118,784	124,235	126,613	135,281	138,095	139,464	138,985	148,934
4.6	4.6	1.9	6.8	2.1	1.0	-0.3	7.2	
7. Trade Balance	17,314	16,503	12,403	13,847	12,903	15,566	17,045	17,740

Note: Per cent change from previous quarter at quarterly rates is given on the second line.

Source: Office of Economic Policy, Ontario Ministry of Finance

**ONTARIO TRADE**

(\$ millions, seasonally adjusted at annual rates)

TABLE 5

	1994				1995			
	I	II	III	IV	I	II	III	IV
1. Exports of Goods and Services								
	164,120	174,594	180,194	190,960	197,931	193,843	199,178	212,980
	-1.5	6.4	3.2	6.0	3.7	-2.1	2.8	6.9
2. Of Which : International								
	108,886	118,306	122,968	132,552	139,175	134,843	138,052	149,546
	-1.5	8.7	3.9	7.8	5.0	-3.1	2.4	8.3
3. Goods								
	92,608	101,776	107,006	116,330	122,007	117,501	120,136	129,568
	-1.4	9.9	5.1	8.7	4.9	-3.7	2.2	7.9
4. Services								
	16,278	16,530	15,962	16,222	17,168	17,342	17,916	19,978
	-2.6	1.5	-3.4	1.6	5.8	1.0	3.3	11.5
5. Of Which : Interprovincial goods and services								
	55,234	56,288	57,226	58,406	58,756	59,000	61,126	63,434
	-1.5	1.9	1.7	2.1	0.6	0.4	3.6	3.8
6. Imports of Goods and Services								
	147,650	155,662	158,540	169,196	177,127	172,278	168,671	176,964
	-0.9	5.4	1.8	6.7	4.7	-2.7	-2.1	4.9
7. Trade Balance								
	16,470	18,932	21,654	21,764	20,804	21,565	30,507	36,016

Note: Per cent change from previous quarter at quarterly rates is given on the second line.

Source: Office of Economic Policy, Ontario Ministry of Finance

**ONTARIO TRADE**  
*( $\$$  millions, seasonally adjusted at annual rates)*

TABLE 5

	1996				1997			
	I	II	III	IV	I	II	III	IV
1. Exports of Goods and Services	213,079	215,027	215,735	207,163	222,734	225,762	227,066	
	0.0	0.9	0.3	-4.0	7.5	1.4	0.6	
2. Of Which: International	149,503	150,797	150,011	140,317	154,458	156,952	157,372	
	0.0	0.9	-0.5	-6.5	10.1	1.6	0.3	
3. Goods	129,665	131,017	130,555	119,811	133,924	135,948	136,886	
	0.1	1.0	-0.4	-8.2	11.8	1.5	0.7	
4. Services	19,838	19,780	19,456	20,506	20,534	21,004	20,486	
	-0.7	-0.3	-1.6	5.4	0.1	2.3	-2.5	
5. Of Which: Interprovincial goods and services	63,576	64,230	65,724	66,846	68,276	68,810	69,684	
	0.2	1.0	2.3	1.7	2.1	0.8	1.3	
6. Imports of Goods and Services	179,082	181,180	181,860	178,146	187,989	196,686	201,686	
	1.2	1.2	0.4	-2.0	5.5	4.6	2.5	
7. Trade Balance	33,997	33,847	33,875	29,017	34,745	29,076	25,380	

Note: Per cent change from previous quarter at quarterly rates is given on the second line.

Source: Office of Economic Policy, Ontario Ministry of Finance

## ONTARIO DEFATORS

(1992 = 100)

TABLE 6

	1992				1993			
	I	II	III	IV	I	II	III	IV
1. Personal expenditure on consumer goods and services:	99.2	99.6	100.4	100.8	101.3	102.0	102.8	103.6
	0.4	0.8	0.4	0.5	0.7	0.8	0.8	0.8
2. Goods	99.5	99.8	100.3	100.4	100.9	101.3	102.1	103.0
	0.2	0.5	0.2	0.5	0.4	0.8	0.9	0.9
3. Services	99.0	99.5	100.5	101.1	101.7	102.6	103.4	104.1
	0.5	1.0	0.6	0.6	0.9	0.8	0.7	0.7
4. Government expenditure on goods and services:	99.9	99.7	100.3	100.1	100.7	101.0	101.7	101.8
	-0.1	0.5	-0.1	0.6	0.3	0.7	0.7	0.1
5. Current expenditure	99.6	99.6	100.4	100.4	100.8	101.0	101.7	101.8
	0.0	0.8	0.0	0.4	0.2	0.7	0.1	0.1
6. Capital expenditure	102.5	100.9	99.1	97.6	99.9	101.0	102.2	102.3
	-1.6	-1.8	-1.5	2.3	1.1	1.2	1.0	0.1
7. Business gross fixed capital formation:	101.5	100.6	99.4	98.4	99.0	100.3	102.2	103.6
	-0.9	-1.1	-1.0	0.6	1.2	1.9	1.4	
8. Residential construction	100.4	100.1	100.0	99.6	100.1	100.2	101.0	101.0
	-0.3	-0.1	-0.4	0.5	0.1	0.8	0.0	
9. Non-residential construction	99.9	100.0	99.9	100.2	101.5	101.2	102.0	102.5
	0.1	-0.1	0.3	1.3	-0.3	0.8	0.5	
10. Machinery and equipment	103.8	101.4	98.4	96.6	97.0	99.9	103.4	106.8
	-2.2	-3.0	-1.9	0.4	3.0	3.5	3.3	
11. Exports of goods and services	99.2	99.6	99.9	101.2	101.5	101.4	101.7	101.5
	0.4	0.3	1.3	0.3	-0.1	0.3	-0.2	
12. DEDUCT: Imports of goods and services	98.3	99.4	99.4	102.7	103.1	103.8	105.5	106.2
	1.2	0.0	3.3	0.4	0.7	1.6	0.7	
13. Value of physical change in inventories:	158.9	81.3	97.9	82.8	91.5	75.9	185.2	39.5
14. Non-farm	172.8	78.9	95.8	84.1	106.6	82.3	183.8	78.7
15. Farm and grain in commercial channels	92.4	235.8	135.8	56.8	-32.8	174.6	143.5	28.5
16. Gross Domestic Product at market prices	99.5	99.9	100.4	100.2	100.6	101.0	100.6	100.5
	0.4	0.5	-0.2	0.4	0.4	-0.4	0.0	
*		1.6	1.9	-0.9	1.7	1.7	-1.8	-0.1
17. Final domestic demand	99.7	99.8	100.3	100.4	100.8	101.5	102.4	103.2
	0.0	0.5	0.1	0.5	0.7	0.9	0.7	

notes: Per cent change from previous quarter at quarterly rates is given on the second line.

\* Annualized per cent change from previous quarter.

sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO DEFLATORS**

(1992 = 100)

TABLE

	1994				1995			
	I	II	III	IV	I	II	III	
1. Personal expenditure on consumer goods and services:	103.1	102.9	103.1	103.0	103.9	104.6	105.0	105.0
	-0.5	-0.2	0.2	-0.1	0.9	0.7	0.4	
2. Goods	101.7	100.4	100.4	100.4	101.2	101.7	101.8	101.8
	-1.3	-1.3	0.0	0.0	0.8	0.5	0.1	
3. Services	104.3	105.0	105.4	105.3	106.3	107.1	107.7	107.7
	0.2	0.7	0.4	-0.1	0.9	0.8	0.6	
4. Government expenditure on goods and services:	101.8	102.0	101.9	102.0	102.5	102.7	102.8	102.8
	0.0	0.1	-0.1	0.1	0.5	0.2	0.1	
5. Current expenditure	101.8	101.9	101.7	101.7	102.2	102.5	102.7	102.7
	0.0	0.1	-0.2	0.0	0.5	0.3	0.2	
6. Capital expenditure	102.3	102.9	103.7	104.1	104.6	104.5	103.9	103.9
	0.0	0.6	0.8	0.4	0.5	-0.1	-0.6	
7. Business gross fixed capital formation:	104.2	104.2	103.5	102.9	103.6	105.2	105.4	105.4
	0.6	0.0	-0.6	-0.6	0.7	1.5	0.2	
8. Residential construction	102.3	103.4	103.9	105.2	104.3	104.7	106.7	106.7
	1.3	1.1	0.5	1.3	-0.9	0.4	1.9	
9. Non-residential construction	103.9	105.5	106.6	107.8	107.4	106.5	106.4	106.4
	1.4	1.5	1.0	1.1	-0.4	-0.8	-0.1	
10. Machinery and equipment	106.1	104.4	102.2	99.9	102.1	105.2	104.2	104.2
	-0.7	-1.6	-2.1	-2.3	2.2	3.0	-1.0	
11. Exports of goods and services	102.0	107.1	107.4	107.4	109.6	110.2	109.3	109.3
	0.5	5.0	0.3	0.0	2.0	0.5	-0.8	
12. DEDUCT: Imports of goods and services	107.5	110.9	111.3	110.6	113.1	112.1	111.9	111.9
	1.2	3.2	0.4	-0.6	2.3	-0.9	-0.2	
13. Value of physical change in inventories:	93.7	31.9	78.8	9.3	110.4	83.9	96.7	8
14. Non-farm	130.2	30.1	82.3	21.8	115.4	85.6	96.7	8
15. Farm and grain in commercial channels	24.4	70.1	-83.6	-115.0	-124.0	22.7	93.8	4
16. Gross Domestic Product at market prices	100.1	101.3	101.6	101.3	102.5	103.7	103.8	103.8
	-0.4	1.2	0.3	-0.3	1.2	1.1	0.1	
*	-1.7	4.8	1.3	-1.1	4.9	4.7	0.5	
17. Final domestic demand	102.9	102.8	102.9	102.7	103.5	104.2	104.5	104.5
	-0.2	-0.1	0.0	-0.1	0.8	0.7	0.3	

Notes: Per cent change from previous quarter at quarterly rates is given on the second line.

\* Annualized per cent change from previous quarter.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

## ONTARIO DEFATORS

(1992 = 100)

TABLE 6

	1996				1997			
	I	II	III	IV	I	II	III	IV
Personal expenditure on consumer goods and services:	105.3 0.2	105.8 0.4	106.1 0.3	106.9 0.7	107.5 0.6	107.9 0.4	108.0 0.2	
Goods	101.7 0.3	102.4 0.7	102.6 0.2	103.4 0.8	103.4 0.0	103.7 0.3	104.1 0.4	
Services	108.4 0.2	108.6 0.2	109.1 0.5	109.9 0.7	111.0 1.0	111.5 0.5	111.5 0.0	
Government expenditure on goods and services:	102.5 -0.6	102.0 -0.6	101.3 -0.7	100.9 -0.4	101.2 0.3	100.7 -0.5	101.1 0.4	
Current expenditure	102.8 -0.5	102.2 -0.6	101.6 -0.6	101.3 -0.3	101.6 0.3	101.0 -0.6	101.5 0.5	
Capital expenditure	100.3 -2.1	99.7 -0.6	98.1 -1.6	97.1 -1.0	97.2 0.1	97.6 0.4	97.6 0.0	
Business gross fixed capital formation:	104.9 0.1	104.5 -0.4	104.1 -0.3	103.8 -0.3	104.2 0.3	105.0 0.8	105.0 0.0	
Residential construction	105.0 -0.5	104.8 -0.2	104.5 -0.3	104.6 0.1	105.4 0.8	106.5 1.0	106.6 0.1	
Non-residential construction	106.0 0.4	106.3 0.3	106.4 0.1	105.7 -0.7	106.5 0.8	107.4 0.8	107.7 0.3	
Machinery and equipment	104.5 0.5	103.6 -0.9	103.1 -0.5	102.6 -0.5	102.5 -0.1	103.1 0.6	103.0 -0.1	
Exports of goods and services	111.0 1.1	110.7 -0.3	111.2 0.5	111.5 0.3	110.1 -1.3	110.6 0.5	108.9 -1.5	
DEDUCT: Imports of goods and services	112.7 0.7	112.7 0.0	112.1 -0.5	112.3 0.2	111.7 -0.5	113.1 1.3	111.7 -1.2	
Value of physical change in inventories:	-4352.3	39.7	-1497.1	114.1	183.8	118.6	96.8	
Non-farm	-210.5	34.7	-263.0	122.7	184.1	119.0	98.6	
Farm and grain in commercial channels	232.7	163.1	292.0	204.0	184.6	99.2	156.8	
Gross Domestic Product at market prices	104.4 0.4	104.6 0.2	105.1 0.5	105.6 0.5	105.8 0.1	105.6 -0.2	105.2 -0.3	
* Final domestic demand	*	1.8	0.7	2.0	2.2	0.5	-0.7	-1.3
	104.6 0.0	104.6 0.0	104.7 0.0	105.0 0.3	105.5 0.5	105.7 0.3	106.0 0.2	

Notes: Per cent change from previous quarter at quarterly rates is given on the second line.

\* Annualized per cent change from previous quarter.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

## Ontario Economic Accounts, Annual Data

**ONTARIO GROSS DOMESTIC PRODUCT, (INCOME BASED)**  
**(\$ millions)**
**TABLE 7**

	1992	1993	1994	1995	1996
1. Wages, salaries and supplementary labour income ( <i>domestic basis</i> )	162,815	164,383 1.0	167,173 1.7	173,228 3.6	177,635 2.5
2. Corporation profits before taxes	14,558	18,131 24.5	25,729 41.9	31,167 21.1	30,106 -3.4
3. Interest and miscellaneous investment income	18,218	16,295 -10.6	16,605 1.9	16,832 1.4	15,873 -5.7
4. Accrued net income of farm operators from farm production	218	323 48.3	138 -57.3	141 2.3	-118 -183.6
5. Net income of non-farm unincorporated business including rent	16,211	17,361 7.1	18,259 5.2	19,217 5.2	20,395 6.1
6. Inventory valuation adjustment	-1,219	-1,354	-2,700	-1,184	-586
7. Net Domestic Income at factor cost	210,801	215,139 2.1	225,204 4.7	239,401 6.3	243,305 1.6
8. Indirect taxes less subsidies	42,051	43,059 2.4	45,032 4.6	45,898 1.9	47,613 3.7
9. Capital consumption allowances and miscellaneous valuation adjustments	33,538	34,950 4.2	37,143 6.3	39,547 6.5	42,150 6.6
10. Gross Domestic Product at market prices	286,390	293,148 2.4	307,379 4.9	324,846 5.7	333,068 2.5

Note: Percentage change from previous year is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT, (EXPENDITURE BASED)**

(\$ millions)

**TABLE 8**

	1992	1993	1994	1995	1996
1. Personal expenditure on consumer goods and services:	162,765	169,069	174,876	180,586	186,234
		3.9	3.4	3.3	3.1
2. Goods	74,725	76,433	78,892	80,877	82,849
		2.3	3.2	2.5	2.4
3. Services	88,040	92,636	95,984	99,709	103,385
		5.2	3.6	3.9	3.7
4. Government expenditure on goods and services:	72,351	71,910	71,539	72,375	69,914
		-0.6	-0.5	1.2	-3.4
5. Current expenditure	65,246	65,790	64,555	65,011	63,288
		0.8	-1.9	0.7	-2.6
6. Capital expenditure	7,105	6,120	6,984	7,364	6,626
		-13.9	14.1	5.4	-10.0
7. Business gross fixed capital formation:	41,344	38,135	41,180	41,095	45,065
		-7.8	8.0	-0.2	9.7
8. Residential construction	15,741	14,786	15,783	13,735	15,606
		-6.1	6.7	-13.0	13.6
9. Non-residential construction	9,232	7,464	6,617	6,690	7,615
		-19.2	-11.4	1.1	13.8
10. Machinery and equipment	16,371	15,885	18,780	20,670	21,844
		-3.0	18.2	10.1	5.7
11. Exports of goods and services	141,245	157,183	177,467	200,983	212,751
		11.3	12.9	13.3	5.9
12. DEDUCT: Imports of goods and services	126,228	141,370	157,762	173,760	180,067
		12.0	11.6	10.1	3.6
13. Value of physical change in inventories:	-4,740	-1,285	735	4,338	-83
14. Non-farm	-4,442	-1,376	750	4,362	180
15. Farm and grain in commercial channels	-298	91	-15	-24	-263
16. Statistical discrepancy	-347	-494	-656	-771	-746
17. Gross Domestic Product at market prices	286,390	293,148	307,379	324,846	333,068
		2.4	4.9	5.7	2.5
18. Gross Domestic Product at 1992 prices	286,390	291,184	304,089	313,842	317,439
		1.7	4.4	3.2	1.1

Note: Percentage change from previous year is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

*Ontario Economic Accounts, Annual Data*
**ONTARIO GROSS DOMESTIC PRODUCT AT 1992 PRICES**  
**(*\$ millions*)**
**TABLE**

	1992	1993	1994	1995	1996
1. Personal expenditure on consumer goods and services:	162,765	165,040	169,741	172,561	175,611
		1.4	2.8	1.7	1.1
2. Goods	74,725	75,064	78,329	79,663	80,801
		0.5	4.3	1.7	1.1
3. Services	88,040	89,976	91,412	92,898	94,840
		2.2	1.6	1.6	2.1
4. Government expenditure on goods and services:	72,351	70,973	70,188	70,407	68,701
		-1.9	-1.1	0.3	-2.1
5. Current expenditure	65,246	64,931	63,428	63,317	62,001
		-0.5	-2.3	-0.2	-2.1
6. Capital expenditure	7,105	6,042	6,760	7,090	6,701
		-15.0	11.9	4.9	-5.1
7. Business gross fixed capital formation:	41,358	37,673	39,715	39,228	43,201
		-8.9	5.4	-1.2	10.1
8. Residential construction	15,741	14,701	15,219	13,045	14,901
		-6.6	3.5	-14.3	14.1
9. Non-residential construction	9,232	7,333	6,247	6,284	7,171
		-20.6	-14.8	0.6	14.1
10. Machinery and equipment	16,384	15,638	18,249	19,899	21,121
		-4.6	16.7	9.0	6.1
11. Exports of goods and services	141,245	154,822	167,376	183,174	191,501
		9.6	8.1	9.4	4.1
12. DEDUCT: Imports of goods and services	126,228	135,070	143,284	154,793	160,131
		7.0	6.1	8.0	3.3
13. Value of physical change in inventories:	-4,739	-1,218	1,477	4,591	-371
14. Non-farm	-4,441	-1,218	1,300	4,549	-251
15. Farm and grain in commercial channels	-298	0	177	42	-121
16. Statistical discrepancy	-361	-1,036	-1,124	-1,326	-1,117
17. Gross Domestic Product at 1992 prices	286,390	291,184	304,089	313,842	317,431
		1.7	4.4	3.2	1.1
18. Final domestic demand	276,474	273,686	279,645	282,195	287,621
		-1.0	2.2	0.9	1.1

Notes: Percentage change from previous year is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**SOURCES AND DISPOSITION OF ONTARIO PERSONAL INCOME**

(\$ millions)

**TABLE 10**

	<b>1992</b>	<b>1993</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>
<b>1. Wages, salaries and supplementary labour income (national basis)</b>	<b>160,127</b>	<b>161,645</b>	<b>164,439</b>	<b>170,334</b>	<b>174,647</b>
	0.9		1.7	3.6	2.5
<b>2. Net income of farm operators from farm production</b>	<b>202</b>	<b>361</b>	<b>99</b>	<b>105</b>	<b>-122</b>
		78.6	-72.5	5.8	-216.1
<b>3. Net income of non-farm unincorporated business including rent</b>	<b>16,211</b>	<b>17,361</b>	<b>18,258</b>	<b>19,217</b>	<b>20,395</b>
	7.1		5.2	5.2	6.1
<b>4. Interest, dividends and miscellaneous investment income</b>	<b>31,764</b>	<b>29,799</b>	<b>30,215</b>	<b>33,180</b>	<b>31,367</b>
	-6.2		1.4	9.8	-5.5
<b>5. Current transfers from government, corporations and non-residents</b>	<b>36,049</b>	<b>37,585</b>	<b>38,262</b>	<b>38,358</b>	<b>37,478</b>
	4.3		1.8	0.3	-2.3
<b>6. Equals: Personal income</b>	<b>244,353</b>	<b>246,751</b>	<b>251,273</b>	<b>261,194</b>	<b>263,765</b>
	1.0		1.8	3.9	1.0
<b>7. Deduct: Personal direct taxes</b>	<b>39,606</b>	<b>39,295</b>	<b>40,522</b>	<b>43,071</b>	<b>46,151</b>
	-0.8		3.1	6.3	7.2
<b>8. Other current transfers to government</b>	<b>10,018</b>	<b>10,392</b>	<b>10,751</b>	<b>10,359</b>	<b>10,225</b>
	3.7		3.5	-3.6	-1.3
<b>9. Equals: Personal disposable income</b>	<b>194,729</b>	<b>197,064</b>	<b>200,000</b>	<b>207,764</b>	<b>207,389</b>
	1.2		1.5	3.9	-0.2
<b>10. Deduct: Personal expenditure on consumer goods and services</b>	<b>162,765</b>	<b>169,069</b>	<b>174,876</b>	<b>180,586</b>	<b>186,234</b>
	3.9		3.4	3.3	3.1
<b>11. Current transfers to corporations</b>	<b>3,500</b>	<b>2,873</b>	<b>3,059</b>	<b>4,059</b>	<b>3,816</b>
	-17.9		6.5	32.7	-6.0
<b>12. Current transfers to non-residents</b>	<b>340</b>	<b>340</b>	<b>389</b>	<b>405</b>	<b>418</b>
	0.0		14.4	3.9	3.2
<b>13. Equals: Personal saving</b>	<b>28,124</b>	<b>24,782</b>	<b>21,676</b>	<b>22,714</b>	<b>16,921</b>
	-11.9		-12.5	4.8	-25.5
<b>14. Personal savings rate</b>	<b>14.4</b>	<b>12.6</b>	<b>10.8</b>	<b>10.9</b>	<b>8.2</b>

Note: Percentage change from previous year is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

*Ontario Economic Accounts, Annual Data***ONTARIO TRADE**

(\$ millions)

TABLE

	1992	1993	1994	1995	1996
<b>1. Exports of Goods and Services</b>	<b>141,245</b>	<b>157,183</b>	<b>177,467</b>	<b>200,983</b>	<b>212,444</b>
	11.3		12.9	13.3	14.1
<b>2. Of Which: International</b>	<b>88,534</b>	<b>102,593</b>	<b>120,678</b>	<b>140,404</b>	<b>147,750</b>
	15.9		17.6	16.3	15.8
<b>3. Goods</b>	<b>75,627</b>	<b>87,371</b>	<b>104,430</b>	<b>122,303</b>	<b>127,444</b>
	15.5		19.5	17.1	14.4
<b>4. Services</b>	<b>12,907</b>	<b>15,222</b>	<b>16,248</b>	<b>18,101</b>	<b>19,306</b>
	17.9		6.7	11.4	8.6
<b>5. Of Which: Interprovincial goods and services</b>	<b>52,711</b>	<b>54,590</b>	<b>56,789</b>	<b>60,579</b>	<b>65,101</b>
	3.6		4.0	6.7	1.1
<b>6. Imports of Goods and Services</b>	<b>126,228</b>	<b>141,370</b>	<b>157,762</b>	<b>173,760</b>	<b>180,333</b>
	12.0		11.6	10.1	13.3
<b>7. Trade Balance</b>	<b>15,017</b>	<b>15,813</b>	<b>19,705</b>	<b>27,223</b>	<b>32,011</b>

Note: Percentage change from previous year is given on the second line.

Source: Office of Economic Policy, Ontario Ministry of Finance

**ONTARIO DEFLATATORS**

(1992 = 100)

TABLE 12

	1992	1993	1994	1995	1996
1. Personal expenditure on consumer goods and services:	100.0	102.4 2.4	103.0 0.6	104.6 1.6	106.0 1.3
2. Goods	100.0	101.8 1.8	100.7 -1.1	101.5 0.8	102.5 1.0
3. Services	100.0	103.0 3.0	105.0 2.0	107.3 2.2	109.0 1.6
4. Government expenditure on goods and services:	100.0	101.3 1.3	101.9 0.6	102.8 0.9	101.7 -1.1
5. Current expenditure	100.0	101.3 1.3	101.8 0.4	102.7 0.9	102.0 -0.7
6. Capital expenditure	100.0	101.4 1.3	103.3 1.9	103.9 0.6	98.8 -4.9
7. Business gross fixed capital formation:	100.0	101.3 1.3	103.7 2.4	104.8 1.0	104.3 -0.4
8. Residential construction	100.0	100.6 0.6	103.7 3.1	105.3 1.5	104.7 -0.5
9. Non-residential construction	100.0	101.8 1.8	106.0 4.1	106.5 0.5	106.1 -0.4
10. Machinery and equipment	100.0	101.8 1.7	103.2 1.4	103.9 0.7	103.5 -0.4
11. Exports of goods and services	100.0	101.5 1.5	106.0 4.4	109.7 3.5	111.1 1.3
12. DEDUCT: Imports of goods and services	100.0	104.7 4.7	110.1 5.2	112.3 2.0	112.5 0.2
13. Value of physical change in inventories:	100.0	105.4	49.8	94.5	22.1
14. Non-farm	100.0	112.9	57.7	95.9	-70.4
15. Farm and grain in commercial channels	100.0	na	-8.7	-56.6	213.0
16. Gross Domestic Product at market prices	100.0	100.7 0.7	101.1 0.4	103.5 2.4	104.9 1.4
17. Final domestic demand	100.0	102.0 1.9	102.8 0.8	104.2 1.3	104.7 0.5

Note: Percentage change from previous year is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

## Ontario Economic Accounts, Quarterly Data

**ONTARIO PRODUCTION BY INDUSTRY, 1992\$**  
*(\$millions, seasonally adjusted at annual rates)*

TABLE 1

	1992				1993			
	I	II	III	IV	I	II	III	IV
1. Primary	5,663	5,529	5,616	5,510	5,829	5,740	5,540	5,499
	-2.4		1.6	-1.9	5.8	-1.5	-3.5	-0.1
2. Manufacturing	48,489	49,527	49,506	50,549	51,867	52,023	52,476	52,830
	2.1		0.0	2.1	2.6	0.3	0.9	0.0
3. Construction	13,317	13,414	13,514	13,772	13,017	11,542	11,392	11,281
	0.7		0.7	1.9	-5.5	-11.3	-1.3	-1.1
4. Utilities	7,371	7,367	7,123	7,388	7,385	7,339	7,596	7,731
	-0.1		-3.3	3.7	-0.1	-0.6	3.5	1.1
5. Goods Producing Industries	74,841	75,837	75,759	77,219	78,098	76,643	77,004	77,347
	1.3		-0.1	1.9	1.1	-1.9	0.5	0.4
6. Transportation, Storage and Communication	14,927	15,089	15,067	14,785	14,776	14,784	14,953	14,951
	1.1		-0.1	-1.9	-0.1	0.1	1.1	0.0
7. Wholesale & Retail Trade	26,592	26,905	27,135	27,209	27,178	27,030	27,301	27,990
	1.2		0.9	0.3	-0.1	-0.5	1.0	2.5
8. Finance, Insurance and Real Estate	41,363	41,402	41,860	41,978	42,496	42,967	43,267	43,588
	0.1		1.1	0.3	1.2	1.1	0.7	0.7
9. Community, Business and Personal Services	63,108	62,678	63,224	63,650	64,094	64,673	64,413	64,194
	-0.7		0.9	0.7	0.7	0.9	-0.4	-0.3
10. Government Services	16,296	16,374	16,257	16,213	16,225	16,147	16,116	16,220
	0.5		-0.7	-0.3	0.1	-0.5	-0.2	0.6
11. Services Producing Industries	162,286	162,448	163,544	163,835	164,769	165,602	166,050	166,943
	0.1		0.7	0.2	0.6	0.5	0.3	0.5
12. Miscellaneous Industries	1,810	1,659	1,708	1,557	1,417	1,684	1,899	1,667
13. Total Production (1992\$) at Factor Cost	238,936	239,943	241,011	242,610	244,284	243,929	244,953	245,951
	0.4		0.4	0.7	0.7	-0.1	0.4	0.4
	*		1.7	1.8	2.7	-0.6	1.7	1.6
14. Indirect Taxes Less Subsidies plus Miscellaneous Adjustments	48,336	47,324	44,319	43,078	41,806	45,610	47,709	50,490
15. Gross Domestic Product (1992\$) at Market Prices	287,273	287,267	285,330	285,688	286,090	289,539	292,662	296,445
	0.0		-0.7	0.1	0.1	1.2	1.1	1.3
	*		-2.7	0.5	0.6	4.9	4.4	5.3

Notes: Percentage change from previous quarter is given on second line.

\* Annualized per cent change from previous quarter

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

## Ontario Economic Accounts, Quarterly Data

## ONTARIO PRODUCTION BY INDUSTRY, 1992\$

(\$millions, seasonally adjusted at annual rates)

TABLE 13

	1994				1995				
	I	II	III	IV	I	II	III	IV	
1. Primary	5,360 -2.4	5,741 7.1	5,945 3.5	6,201 4.3	5,911 -4.7	5,852 -1.0	5,947 1.6	5,974 0.5	
2. Manufacturing	53,146 0.6	55,650 4.7	57,164 2.7	59,853 4.7	61,366 2.5	60,418 -1.5	60,724 0.5	60,931 0.3	
3. Construction	11,601 2.8	12,198 5.1	12,429 1.9	12,807 3.0	12,082 -5.7	11,584 -4.1	11,466 -1.0	11,105 -3.2	
4. Utilities	8,272 6.9	8,001 -3.3	7,788 -2.7	7,396 -5.0	7,559 2.2	7,697 1.8	8,061 4.7	7,785 -3.4	
5. Goods Producing Industries	78,379 1.3	81,590 4.1	83,326 2.1	86,257 3.5	86,917 0.8	85,551 -1.6	86,197 0.8	85,794 -0.5	
6. Transportation, Storage and Communication	15,187 1.6	15,391 1.3	15,474 0.5	15,709 1.5	15,867 1.0	15,814 -0.3	16,198 2.4	16,100 -0.6	
7. Wholesale & Retail Trade	28,482 1.8	29,255 2.7	29,885 2.2	30,878 3.3	30,604 -0.9	30,276 -1.1	30,465 0.6	30,094 -1.2	
8. Finance, Insurance and Real Estate	44,178 1.4	44,129 -0.1	44,263 0.3	44,318 0.1	44,027 -0.7	44,263 0.5	44,582 0.7	44,616 0.1	
9. Community, Business and Personal Services	64,339 0.2	65,050 1.1	65,710 1.0	66,126 0.6	66,553 0.6	67,024 0.7	67,564 0.8	67,696 0.2	
10. Government Services	16,155 -0.4	16,096 -0.4	16,030 -0.4	15,864 -1.0	15,911 0.3	15,853 -0.4	15,656 -1.2	15,488 -1.1	
11. Services Producing Industries	168,341 0.8	169,920 0.9	171,362 0.8	172,894 0.9	172,963 0.0	173,230 0.2	174,465 0.7	173,993 -0.3	
12. Miscellaneous Industries	1,125	820	2,648	1,933	969	932	1,696	2,697	
13. Total Production (1992\$) at Factor Cost	247,845 0.8	252,330 1.8	257,336 2.0	261,085 1.5	260,849 -0.1	259,713 -0.4	262,358 1.0	262,485 0.0	
	*	3.1	7.4	8.2	6.0	-0.4	-1.7	4.1	0.2
14. Indirect Taxes Less Subsidies plus Miscellaneous Adjustments	51,444	49,166	48,359	48,794	49,355	49,543	53,833	57,233	
15. Gross Domestic Product (1992\$) at Market Prices	299,289 1.0	301,495 0.7	305,695 1.4	309,878 1.4	310,204 0.1	309,256 -0.3	316,192 2.2	319,718 1.1	
	*	3.9	3.0	5.7	5.6	0.4	-1.2	9.3	4.5

Notes: Percentage change from previous quarter is given on second line.

\* Annualized per cent change from previous quarter

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

## Ontario Economic Accounts, Quarterly Data

**ONTARIO PRODUCTION BY INDUSTRY, 1992\$**

(\$millions, seasonally adjusted at annual rates)

TABLE

	1996				1997			
	I	II	III	IV	I	II	III	
1. Primary	6,049 1.3	6,013 -0.6	5,983 -0.5	5,908 -1.2	5,826 -1.4	5,835 0.1	5,828 -0.1	
2. Manufacturing	60,361 -0.9	60,935 1.0	61,581 1.1	61,386 -0.3	63,166 2.9	64,877 2.7	66,080 1.9	
3. Construction	11,329 2.0	11,815 4.3	12,430 5.2	12,568 1.1	12,999 3.4	13,433 3.3	13,612 1.3	
4. Utilities	7,732 -0.7	7,630 -1.3	7,615 -0.2	7,837 2.9	7,795 -0.5	7,949 2.0	7,658 -3.7	
5. Goods Producing Industries	85,471 -0.4	86,393 1.1	87,609 1.4	87,699 0.1	89,786 2.4	92,094 2.6	93,177 1.2	
6. Transportation, Storage and Communication	16,242 0.9	16,724 3.0	17,199 2.8	17,215 0.1	17,749 3.1	18,105 2.0	18,265 0.9	
7. Wholesale & Retail Trade	30,415 1.1	30,592 0.6	31,407 2.7	32,034 2.0	32,899 2.7	33,877 3.0	35,233 4.0	
8. Finance, Insurance and Real Estate	45,057 1.0	45,401 0.8	45,672 0.6	46,935 2.8	46,855 -0.2	46,957 0.2	47,402 0.9	
9. Community, Business and Personal Services	67,776 0.1	67,517 -0.4	68,221 1.0	69,126 1.3	69,990 1.3	70,484 0.7	71,303 1.2	
10. Government Services	14,634 -5.5	15,130 3.4	15,022 -0.7	14,963 -0.4	14,921 -0.3	14,710 -1.4	14,606 -0.7	
11. Services Producing Industries	174,125 0.1	175,363 0.7	177,520 1.2	180,273 1.6	182,415 1.2	184,133 0.9	186,809 1.5	
12. Miscellaneous Industries	1,842	1,400	1,413	1,319	1,341	1,357	1,377	
13. Total Production (1992\$) at Factor Cost	261,439 -0.4	263,156 0.7	266,542 1.3	269,290 1.0	273,541 1.6	277,583 1.5	281,363 1.4	
	*	-1.6	2.7	5.2	4.2	6.5	6.0	5.6
14. Indirect Taxes Less Subsidies plus Miscellaneous Adjustments	53,878	52,628	51,777	51,044	52,636	53,887	54,707	
15. Gross Domestic Product (1992\$) at Market Prices	315,317 -1.4	315,783 0.1	318,319 0.8	320,335 0.6	326,178 1.8	331,471 1.6	336,070 1.4	
	*	-5.4	0.6	3.3	2.6	7.5	6.7	5.7

Notes: Percentage change from previous quarter is given on second line.

\* Annualized per cent change from previous quarter

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

## Ontario Economic Accounts, Annual Data

## ONTARIO PRODUCTION BY INDUSTRY, 1992\$

(\$millions)

TABLE 14

	1992	1993	1994	1995	1996
<b>1. Primary</b>	<b>5,579</b>	<b>5,650</b>	<b>5,812</b>	<b>5,921</b>	<b>5,988</b>
		1.3	2.9	1.9	1.1
<b>2. Manufacturing</b>	<b>49,518</b>	<b>52,300</b>	<b>56,453</b>	<b>60,860</b>	<b>61,066</b>
		5.6	7.9	7.8	0.3
<b>3. Construction</b>	<b>13,504</b>	<b>11,808</b>	<b>12,259</b>	<b>11,559</b>	<b>12,035</b>
		-12.6	3.8	-5.7	4.1
<b>4. Utilities</b>	<b>7,312</b>	<b>7,514</b>	<b>7,864</b>	<b>7,775</b>	<b>7,703</b>
		2.8	4.7	-1.1	-0.9
<b>5. Goods Producing Industries</b>	<b>75,914</b>	<b>77,273</b>	<b>82,388</b>	<b>86,115</b>	<b>86,793</b>
		1.8	6.6	4.5	0.8
<b>6. Transportation, Storage and Communication</b>	<b>14,967</b>	<b>14,866</b>	<b>15,440</b>	<b>15,995</b>	<b>16,845</b>
		-0.7	3.9	3.6	5.3
<b>7. Wholesale &amp; Retail Trade</b>	<b>26,960</b>	<b>27,375</b>	<b>29,625</b>	<b>30,360</b>	<b>31,112</b>
		1.5	8.2	2.5	2.5
<b>8. Finance, Insurance and Real Estate</b>	<b>41,651</b>	<b>43,080</b>	<b>44,222</b>	<b>44,372</b>	<b>45,766</b>
		3.4	2.7	0.3	3.1
<b>9. Community, Business and Personal Services</b>	<b>63,165</b>	<b>64,344</b>	<b>65,306</b>	<b>67,209</b>	<b>68,160</b>
		1.9	1.5	2.9	1.4
<b>10. Government Services</b>	<b>16,285</b>	<b>16,177</b>	<b>16,036</b>	<b>15,727</b>	<b>14,937</b>
		-0.7	-0.9	-1.9	-5.0
<b>11. Services Producing Industries</b>	<b>163,028</b>	<b>165,841</b>	<b>170,629</b>	<b>173,663</b>	<b>176,820</b>
		1.7	2.9	1.8	1.8
<b>12. Miscellaneous Industries</b>	<b>1,683</b>	<b>1,665</b>	<b>1,632</b>	<b>1,573</b>	<b>1,493</b>
<b>13. Total Production (92\$) at Factor Cost</b>	<b>240,625</b>	<b>244,779</b>	<b>254,649</b>	<b>261,351</b>	<b>265,107</b>
		1.7	4.0	2.6	1.4
<b>14. Indirect Taxes Less Subsidies plus Miscellaneous Adjustments</b>	<b>45,764</b>	<b>46,405</b>	<b>49,440</b>	<b>52,491</b>	<b>52,332</b>
<b>15. Gross Domestic Product (1992\$) at Market Prices</b>	<b>286,390</b>	<b>291,184</b>	<b>304,089</b>	<b>313,842</b>	<b>317,439</b>
		1.7	4.4	3.2	1.1





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Ministry of Finance

Macroeconomic Analysis & Policy Branch

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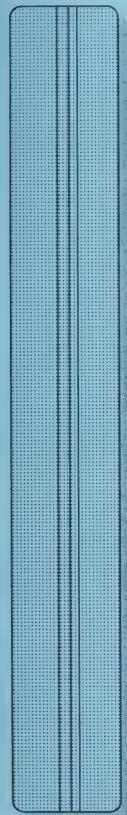
Toronto, ON M7A 1Z1

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# ONTARIO ECONOMIC ACCOUNTS

Fourth Quarter of 1997

( October, November, December )



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Ministry of Finance  
Office of Economic Policy  
Macroeconomic Analysis and Policy Branch  
April 1998

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## 1997 HIGHLIGHTS: Ontario Real GDP Up 4.8%

- ⇒ Real **consumer spending** climbs 3.9% — supported by strong private sector job creation, higher after-tax income, and rising confidence
- ⇒ **Residential construction** soars 16.5%, fueled by a 25.6% rise in housing starts
- ⇒ **Business investment** jumped 14.6%, as strong corporate profits and higher sales raise business confidence
- ⇒ **Export** growth doubled to 9.3% in 1997 — strong gains in autos and machinery and equipment
- ⇒ Manufacturing, construction, transportation, wholesale and retail trade sectors all grew strongly

## 1997 Year in Review

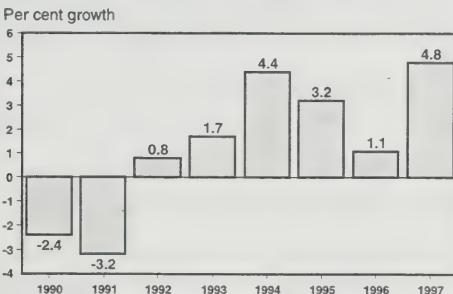
In 1997, the Ontario economy recorded its strongest growth of the decade, with real GDP rising 4.8%. The rise in output was broad-based, with the household, business and export sectors all contributing to growth.

Strong employment gains and higher after-tax income boosted household confidence, which resulted in a 3.9% rise in **consumer spending**. Expenditures on big-ticket items such as autos, furniture and appliances grew strongly.

Real **residential construction** activity soared by 16.5% in 1997. Growth was led by new home construction which jumped nearly 27%.

Buoyed by a 21.6% rise in corporation profits and higher sales, **business investment** in plant and equipment rose 14.6%, as firms increased outlays on computers, office furniture and telecommunications equipment. Higher demand encouraged firms to raise real **inventories** by \$4.3 billion.

### Ontario Real GDP: Strongest Gain of the Decade



In the trade sector, real **exports** grew by 9.3%, with autos and machinery and equipment recording solid gains, spurred in part by a 3.8% rise in U.S. real GDP. Strong Ontario demand growth resulted in **imports** rising by 12.1% in 1997.

## QUARTERLY ONTARIO KEY ECONOMIC INDICATORS

(% change from previous period)

	1996	1997	1997:1	1997:2	1997:3	1997:4
<b>Real GDP (1992\$)</b>	<b>1.1</b>	<b>4.8</b>	<b>1.6</b>	<b>1.7</b>	<b>1.5</b>	<b>0.5</b>
Personal spending	1.8	3.9	0.4	1.6	2.0	0.9
Government spending	-2.3	-1.1	-0.1	-0.4	0.5	-1.7
Residential construction	14.2	16.5	-3.0	6.3	1.1	3.0
Non-residential construction	14.2	3.7	-0.1	0.2	1.1	-1.0
Machinery & equipment	6.1	18.3	4.6	0.3	7.9	0.4
Exports	4.5	9.3	8.8	1.6	3.3	2.5
Imports	3.4	12.1	6.9	3.2	5.4	2.4
Business Inventories (\$1992 billions)	-0.3	4.3	0.4	4.5	6.0	6.1
<b>Nominal GDP (Current\$)</b>	<b>2.5</b>	<b>5.2</b>	<b>1.9</b>	<b>1.2</b>	<b>1.2</b>	<b>0.4</b>
Corporation profits	-3.4	21.6	13.2	2.6	7.2	2.2
Personal income	1.0	2.9	0.9	1.1	0.4	0.6
Personal disposable income	-0.1	2.2	0.6	0.8	0.2	0.4
<b>Prices</b>						
GDP deflator	1.4	0.4	0.3	-0.5	-0.3	-0.1
Consumer Price Index (Y/Y%)	1.5	1.9	2.4	2.0	2.1	1.1

### Fourth Quarter Highlights:

#### Real GDP Rises 0.5% in the Fourth Quarter of 1997

Ontario real GDP rose by 0.5% in the fourth quarter, as strong household demand outweighed the adverse impact of labour disruptions.

Growth in the fourth quarter was led by a rise in household sector spending, as continued income and employment gains supported a solid increase in consumer expenditures on goods and services. A buoyant housing market also added to growth.

On the industry side, increased production was concentrated in manufacturing, transportation, and wholesale and retail trade, more than offsetting lower activity in education and communication.

## Household Spending Rises in the Fourth Quarter

In the fourth quarter of 1997, Ontario households again increased expenditures on consumer goods and services, and housing, continuing a two-year pattern of rising spending. This trend was supported by high levels of consumer confidence and a robust Ontario job market.

**Real consumer spending** rose 0.9% in 1997:4, up for the eighth consecutive quarter. Increased consumer spending was particularly evident for big-ticket items such as autos, furniture and home appliances.

The increase in spending was underpinned by a 0.4% rise in **after-tax income** in 1997:4, the sixth straight quarterly advance. Growth in labour income, the largest component of personal income, slowed to 0.2%, reflecting the impact a strike by Canada Post workers and the withdrawal of services by 126,000 Ontario teachers.

Ontario households have become increasingly more optimistic about economic conditions. The Conference Board of Canada reported that Ontario **consumer confidence** rose 3.0% in 1997:4, reaching its highest level in nine years.

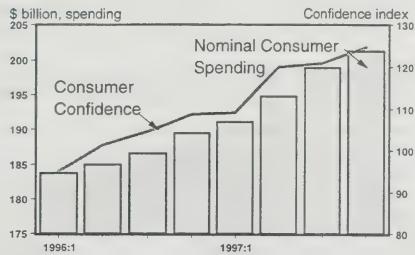
With nominal consumer spending rising faster than after-tax income, the Ontario **savings rate** fell from 4.1% in 1997:3 to 3.3% in 1997:4.

In the **housing market**, real residential construction rose 3.0% in the fourth quarter. Gains in new construction and alterations and improvements, were partially offset by a decline in the resale market. For the year 1997 as a whole, real total residential construction rose 16.5%, following a strong 14.2% gain in 1996. This marks the strongest two-year advance since the mid-1980s.

## Banner Year For Business Investment

Higher profits, growing foreign and domestic demand, and attractive financing conditions, contributed to rising business investment throughout 1997. **Investment spending on plant and equipment** jumped 14.6% in 1997, almost twice the 8.1% pace of the previous year.

### Consumer Confidence and Spending Rising



### Ontario Consumer Indicators (quarter-over-quarter change)

**1997:4**

Consumer Confidence	+3.0%
Personal Income	+0.6%
Nominal Consumer Spending	+1.3%
of which: retail sales	+2.5%

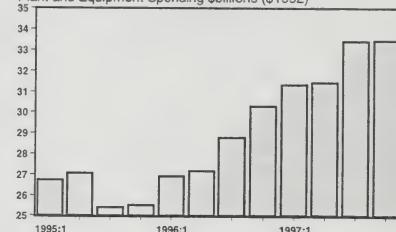
In the fourth quarter, real plant and equipment investment rose by 0.1%, after surging 6.3% in 1997:3. Machinery and equipment investment rose 0.4%, led by increased outlays for furniture, autos and trucks, which offset reduced spending on computers and telecommunications equipment. Non-residential construction fell 1.0% in the fourth quarter.

Business real **inventories** rose by \$6.1 billion in the fourth quarter, similar to the \$6.0 billion addition in the previous quarter. Stock building took place in the retail and wholesale trade sector, and in manufacturing.

**Corporation profits** in Ontario rose by a healthy 2.2% in the fourth quarter, with increases led by the auto, electrical and electronic products, household appliance, transportation, telecommunications and postal services industries. For the year 1997 as a whole, corporation profits rose 21.6%, and their share of total GDP climbed above ten per cent for the first time in nearly a decade.

### Business Investment Strong

Plant and Equipment Spending \$billions (\$1992)



### Autos, Computers Push Exports Higher in the Fourth Quarter

Ontario **real exports**, (which include both international and interprovincial exports) rose 2.5% in 1997:4. At the national level, food, precious metals, cars, auto parts, computers, industrial machinery and aircraft rose in the quarter. Exports of iron and steel, trucks and telecommunications equipment declined.

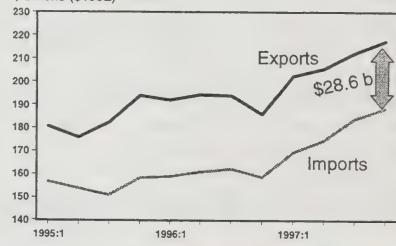
**Imports** to Ontario increased 2.4% in 1997:4. Growth was concentrated in cars, trucks, auto parts, chemicals, textiles and metals.

With exports rising faster than imports the real trade surplus climbed to a level of \$28.6 billion (1992\$), up from \$27.8 billion in the previous quarter.

For all of 1997, import growth exceeded the gain in exports, resulting in a decline in the real trade balance from \$31.4 billion to \$29.9 billion. This development reflects the strength of Ontario domestic demand, which rose 4.4% in 1997.

### Trade Surplus Widens

\$ billions (\$1992)



## Low Inflation Continues

The aggregate price level, as measured by the **GDP price deflator**, declined by 0.1% during the quarter, after a 0.3% drop in the third quarter. For the year 1997 as a whole, GDP prices rose 0.4%, lower than the 1.9% average increase in the CPI. The CPI excludes the impact of lower business machinery and equipment and export prices, which fell 0.2% and 1.1%, respectively, in 1997.

In the fourth quarter, prices for consumer goods and services rose 0.4%, with higher prices reported for food, energy, travel and telephone services. Prices of tobacco, furniture, gasoline, entertainment, and financial and legal services fell. Housing prices advanced by 0.6%.

Export prices rose by 0.4%, with higher prices for food, chemicals, iron and steel, trucks and auto parts. Import prices increased 1.7%.

### ONTARIO OUTPUT BY SECTOR

(% change, quarterly rates, \$1992)

	1996	1997	1997:1	1997:2	1997:3	1997:4
<b>Goods Sector</b>	0.8	5.9	2.1	2.5	1.0	0.9
Primary Industries	1.1	-1.7	-1.5	0.2	1.2	1.0
Manufacturing	0.3	7.1	3.1	2.6	1.9	1.7
Construction	4.1	7.4	0.4	3.5	-0.4	0.1
Utilities	-0.9	-0.6	-0.3	1.9	-4.1	-5.5
<b>Service Sector</b>	1.8	3.9	0.7	0.7	1.4	0.1
Transportation, Storage and Communications	5.3	7.2	3.0	1.3	0.9	1.7
Wholesale and Retail Trade	2.5	9.7	2.1	2.4	3.6	2.7
Finance, Insurance and Real Estate	3.1	3.0	-0.6	0.4	1.4	0.2
Community, Business and Personal Services	1.4	2.6	0.7	0.4	0.9	-1.5
Government	-5.0	-2.8	-0.8	-1.7	-1.1	-1.3

## Industrial Growth Continues in 1997:4

On an industry basis, total real production (\$1992) at factor cost in Ontario rose 0.4% in 1997:4, similar to the 0.5% gain as measured at market prices. Strong growth in manufacturing, transportation and wholesale and retail trade was offset by the impact of labour disruptions in education and communication.

For the 1997 year as a whole, real output jumped 4.6% with dynamic growth in manufacturing, construction, transportation, communications, and wholesale and retail trade.

## Wholesale and Retail Trade Continue to Soar

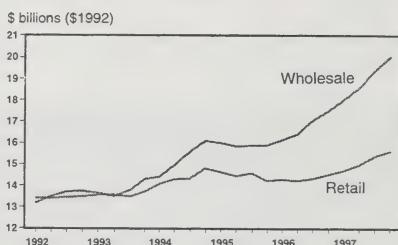
Wholesale and retail trade activity rose 2.7% in 1997:4, following a revised gain of 3.6% in the third quarter.

**Retail** trade recorded its sixth consecutive quarter of strong growth, with activity jumping 1.7%. Retail sales growth was led by strong home furnishing, appliance and auto sales.

**Wholesale** trade continued to grow at a healthy rate, rising 3.5% in 1997:4. Computer sales contributed to these gains, with Canadian computer sales up 12.0% in the fourth quarter.

For the year 1997, wholesale trade jumped 13.2%, while combined wholesale and retail trade rose 9.7%, accounting for a quarter of 1997 output growth.

### Wholesale and Retail Trade GDP



## Transportation Equipment Output Up Sharply in 1997:4

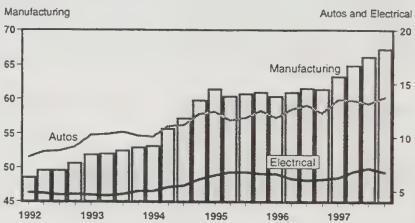
Manufacturing output rose by 1.7% in the fourth quarter, driven by auto and aircraft production.

The **auto sector**, freed from maintenance and retooling constraints evident in the previous two quarters, surged ahead 4.2% in the fourth quarter, with strong domestic and export demand propelling gains. Strong export demand helped push aircraft production up 10.2% in 1997:4. Canadian aircraft exports climbed 11.0% in the fourth quarter.

**Furniture** production was up 7.8% in the fourth quarter and 17.3% for the year 1997. Strong furniture store sales gains of 25.6% in 1997, as well as continued success in export markets, drove output advances.

After four quarters of solid growth, **electrical** manufacturing output fell 4.3%

### Auto, Electrical and Total Manufacturing GDP



in 1997:4, with a reduction in telecommunications equipment exports. For the year 1997 as a whole, electrical manufacturing rebounded 8.5%, following a 6.8% drop in 1996. Strong telecommunications and electronics growth and a resurgence in computer manufacturing largely accounted for this recovery.

Of 19 major manufacturing industries, 14 recorded strong growth in 1997:4, with beverage, plastic, primary metals and non-metallic minerals manufacturers registering some of the strongest gains.

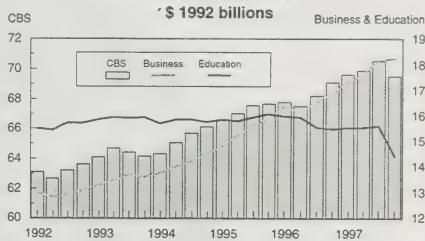
## Community, Business & Personal Services Activity Declines

Community, business and personal services activity fell 1.5% in the final quarter of 1997, following a 0.9% gain in 1997:3. This decline was largely due to the two week withdrawal of services by teachers that began on October 27. **Education** services fell 7.6% in 1997:4 from the third quarter. **Business and personal services** grew at modest rates, led by accommodation activity which climbed 2.0%.

For the year 1997 as a whole, business, community and personal services activity rose 2.6%, creating 36,000 net new jobs.

**Finance, insurance and real estate** industries rose 0.2% in the fourth quarter of 1997, following a third quarter advance of 1.4%. Banking, brokerage, and mutual fund activity led the industry.

**Community, Business & Personal Services GDP**

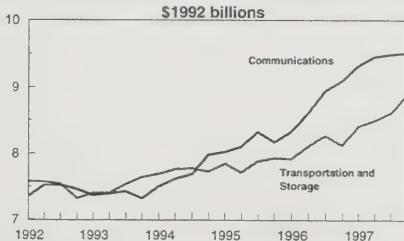


## Communications Sector Activity Slowed by Postal Strike

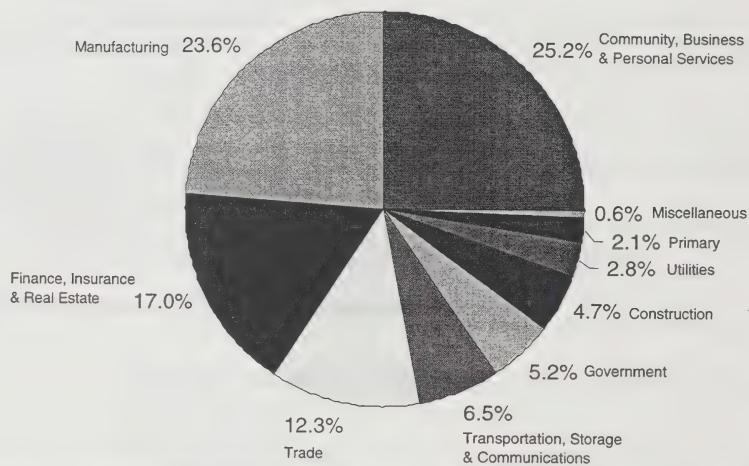
Total output in the transportation, storage and communications sector advanced 1.7% in 1997:4, following a third quarter jump of 0.9%. Communications activities slowed to a 0.2% gain in the fourth quarter, hampered by a two week national postal strike beginning November 19.

For the 1997 year as a whole, transportation, storage and communications rose 7.2%.

**Transportation, Storage and Communications GDP**



## Industrial Structure of Ontario Economy, 1997 % share



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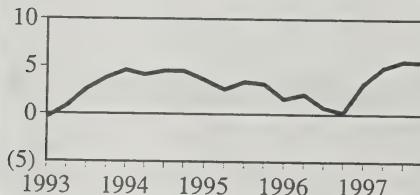
### Ontario Production by Industry, 1992\$

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# Ontario Economic Accounts: Summary (1993:1 - 1997:4)

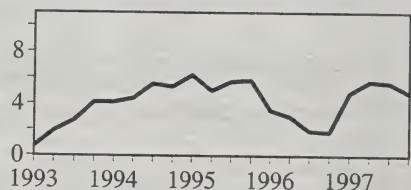
**Gross Domestic Product**  
(1992 \$)

% change, year-over-year



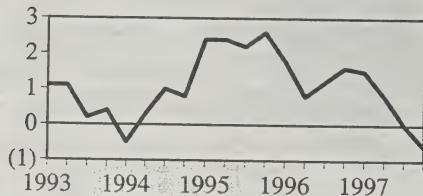
**Gross Domestic Product**  
(Current \$)

% change, year-over-year



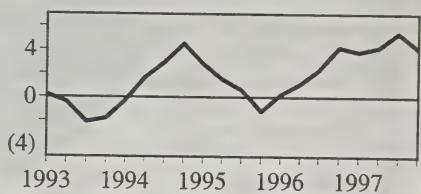
**GDP Deflator**  
(1992 = 100)

% change, year-over-year



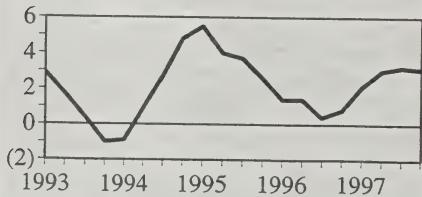
**Final Domestic Demand**  
(1992 \$)

% change, year-over-year



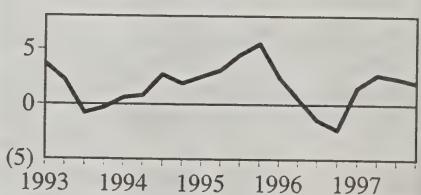
**Personal Income**  
(Current \$)

% change, year-over-year



**Personal Disposable Income**  
(Current \$)

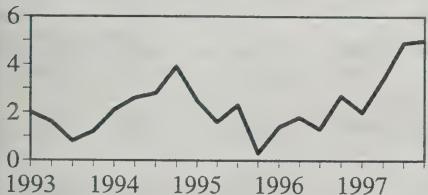
% change, year-over-year



# Ontario Economic Accounts: Summary (1993:1 - 1997:4)

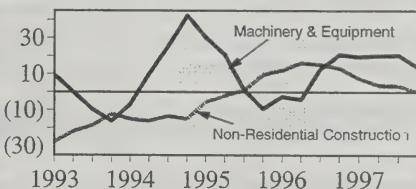
**Consumer Spending**  
(1992 \$)

% change, year-over-year



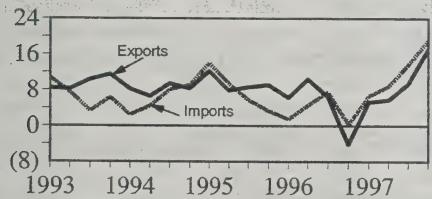
**Business Plant & Equipment**  
(1992 \$)

% change, year-over-year



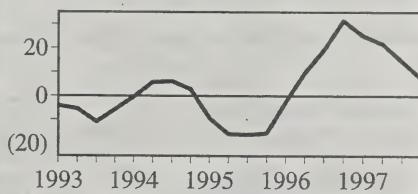
**Trade**  
(1992 \$)

% change, year-over-year



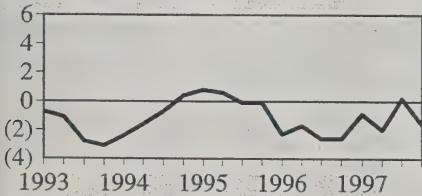
**Residential Construction**  
(1992 \$)

% change, year-over-year



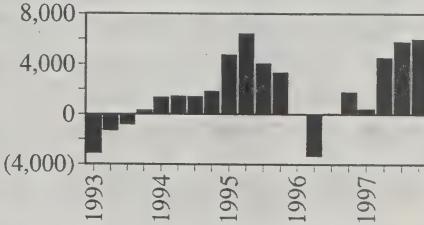
**Government Spending**  
(1992 \$)

% change, year-over-year



**Change in Inventories**  
(1992 \$)

millions



**ONTARIO GROSS DOMESTIC PRODUCT, (INCOME BASED)**  
 (\$ millions, seasonally adjusted at annual rates)

TABLE

	1996				1997			
	I	II	III	IV	I	II	III	IV
	175,279	176,568	178,139	180,553	183,040	184,930	186,414	186,614
1. Wages, salaries and supplementary labour income ( <i>domestic basis</i> )	-0.2	0.7	0.9	1.4	1.4	1.0	0.8	0.8
2. Corporation profits before taxes	29,863	29,270	30,855	30,438	34,446	35,343	37,905	38,205
	-13.0	-2.0	5.4	-1.4	13.2	2.6	7.2	2.2
3. Interest and miscellaneous investment income	16,049	15,852	15,757	15,836	15,276	15,124	15,318	15,318
	-3.5	-1.2	-0.6	0.5	-3.5	-1.0	1.3	0.0
4. Accrued net income of farm operators from farm production	-176	-246	-149	99	84	118	81	21
	-164.5	39.4	-39.6	-166.8	-15.4	40.7	-31.7	2.2
5. Net income of non-farm unincorporated business including rent	19,827	20,269	20,587	20,897	21,324	21,800	21,951	22,000
	1.2	2.2	1.6	1.5	2.0	2.2	0.7	0.7
6. Inventory valuation adjustment	743	-766	-1,674	-646	-292	-903	-1,086	-1,100
7. Net Domestic Income at factor cost	241,585	240,947	243,515	247,177	253,878	256,412	260,583	262,000
	-1.9	-0.3	1.1	1.5	2.7	1.0	1.6	1.6
8. Indirect taxes less subsidies	46,633	47,049	48,177	48,591	49,109	49,617	49,971	50,000
	2.4	0.9	2.4	0.9	1.1	1.0	0.7	0.7
9. Capital consumption allowances and miscellaneous valuation adjustments	40,946	42,224	42,792	42,638	41,825	43,001	42,603	42,603
	1.4	3.1	1.3	-0.4	-1.9	2.8	-0.9	-0.9
10. Gross Domestic Product at market prices	329,164	330,220	334,484	338,406	344,812	349,030	353,157	354,000
	-0.9	0.3	1.3	1.2	1.9	1.2	1.2	1.2
*	-3.7	1.3	5.3	4.8	7.8	5.0	4.8	4.8

Notes : Per cent change from previous quarter at quarterly rates is given on the second line.

\* Annualized per cent change from previous quarter.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT, (EXPENDITURE BASED)**  
*(millions, seasonally adjusted at annual rates)*

TABLE 2

	1996				1997			
	I	II	III	IV	I	II	III	IV
Personal expenditure on consumer goods and services:	183,810 1.2	184,984 0.6	186,588 0.9	189,553 1.6	191,295 0.9	195,107 2.0	199,373 2.2	201,963 1.3
Goods	81,160 1.5	82,155 1.2	82,965 1.0	85,117 2.6	85,238 0.1	87,078 2.2	89,440 2.7	90,732 1.4
Services	102,650 1.0	102,829 0.2	103,623 0.8	104,436 0.8	106,057 1.6	108,029 1.9	109,933 1.8	111,231 1.2
Government expenditure on goods and services:	70,707 -2.5	70,777 0.1	69,163 -2.3	69,009 -0.2	68,969 -0.1	68,332 -0.9	68,920 0.9	67,672 -1.8
Current expenditure	63,680 -2.6	64,046 0.6	62,760 -2.0	62,668 -0.1	62,929 0.4	62,406 -0.8	63,146 1.2	62,084 -1.7
Capital expenditure	7,027 -0.9	6,731 -4.2	6,403 -4.9	6,341 -1.0	6,040 -4.7	5,926 -1.9	5,774 -2.6	5,588 -3.2
Business gross fixed capital formation:	41,987 4.5	43,302 3.1	45,984 6.2	48,986 6.5	49,588 1.2	51,330 3.5	53,444 4.1	54,463 1.9
Residential construction	13,740 1.4	14,972 9.0	16,065 7.3	17,647 9.8	17,183 -2.6	18,472 7.5	18,656 1.0	19,315 3.5
Non-residential construction	7,296 5.6	7,612 4.3	7,710 1.3	7,840 1.7	7,895 0.7	7,972 1.0	8,066 1.2	8,052 -0.2
Machinery and equipment	20,951 6.2	20,718 -1.1	22,209 7.2	23,499 5.8	24,510 4.3	24,886 1.5	26,722 7.4	27,096 1.4
Exports of goods and services	213,079 0.0	215,027 0.9	215,735 0.3	207,163 -4.0	223,034 7.7	227,462 2.0	231,352 1.7	237,928 2.8
DEDUCT: Imports of goods and services	179,082 1.2	181,180 1.2	181,860 0.4	178,146 -2.0	189,298 6.3	198,135 4.7	205,080 3.5	213,617 4.2
Value of physical change in inventories:	-532 -266	-1,307 -1,101	-478 -271	1,982 2,356	1,116 1,130	4,996 5,182	5,464 5,708	6,608 6,732
Non-farm	-266 -266	-1,101 -206	-271 -207	1,982 -374	-14 -14	-186 -244	-244 -244	-124 -124
Statistical discrepancy	-805 -805	-1,383 -1,383	-648 -648	-141 -141	108 108	-62 -62	-316 -316	-418 -418
Gross Domestic Product at market prices	329,164 -0.9	330,220 0.3	334,484 1.3	338,406 1.2	344,812 1.9	349,030 1.2	353,157 1.2	354,599 0.4
Gross Domestic Product at 1992 prices	315,317 -1.4	315,783 0.1	318,319 0.8	320,335 0.6	325,437 1.6	331,108 1.7	336,009 1.5	337,830 0.5
*	-5.4	0.6	3.3	2.6	6.5	7.2	6.1	2.2

es: Per cent change from previous quarter at quarterly rates is given on the second line.

\* Annualized per cent change from previous quarter.

ources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

Ontario Economic Accounts, Quarterly Data

## ONTARIO GROSS DOMESTIC PRODUCT AT 1992 PRICES

*(\$ millions, seasonally adjusted at annual rates)*

TARI

	1996				1997			
	I	II	III	IV	I	II	III	IV
1. Personal expenditure on consumer goods and services	174,498 1.0	174,916 0.2	175,843 0.5	177,347 0.9	178,075 0.4	180,945 1.6	184,519 2.0	186,835 2.1
2. Goods	79,801 1.2	80,230 0.5	80,863 0.8	82,318 1.8	82,356 0.0	83,971 2.0	85,835 2.2	86,835 2.1
3. Services	94,697 0.8	94,686 0.0	94,980 0.3	95,029 0.1	95,719 0.7	96,974 1.3	98,684 1.8	99,000 1.9
4. Government expenditure on goods and services:	68,952 -1.8	69,419 0.7	68,299 -1.6	68,394 0.1	68,342 -0.1	68,052 -0.4	68,424 0.5	67,835 -0.5
5. Current expenditure	61,946 -2.2	62,668 1.2	61,772 -1.4	61,864 0.2	62,122 0.4	61,911 -0.3	62,459 0.9	62,459 0.9
6. Capital expenditure	7,006 1.2	6,751 -3.6	6,527 -3.3	6,530 0.0	6,220 -4.7	6,141 -1.3	5,965 -2.9	5,965 -2.9
7. Business gross fixed capital formation:	40,018 4.3	41,446 3.6	44,161 6.6	47,191 6.9	47,729 1.1	48,838 2.3	51,005 4.4	51,005 4.4
8. Residential construction	13,086 1.9	14,287 9.2	15,374 7.6	16,871 9.7	16,365 -3.0	17,394 6.3	17,583 1.1	18,000 1.1
9. Non-residential construction	6,883 5.2	7,161 4.0	7,246 1.2	7,416 2.4	7,406 -0.1	7,423 0.2	7,503 1.1	7,503 1.1
10. Machinery and equipment	20,049 5.7	19,998 -0.3	21,541 7.7	22,904 6.3	23,958 4.6	24,021 0.3	25,919 7.9	26,000 7.9
11. Exports of goods and services	191,963 -1.0	194,243 1.2	194,006 -0.1	185,796 -4.2	202,207 8.8	205,476 1.6	212,250 3.3	213,000 3.3
12. DEDUCT: Imports of goods and services	158,902 0.5	160,763 1.2	162,230 0.9	158,634 -2.2	169,622 6.9	175,031 3.2	184,424 5.4	185,000 5.4
13. Value of physical change in inventories:	12	-3,296	32	1,737	384	4,483	5,755	5,755
14. Non-farm	126	-3,170	103	1,920	389	4,547	5,983	5,983
15. Farm and grain in commercial channels	-114	-126	-71	-183	-5	-64	-228	-228
16. Statistical discrepancy	-1,224	-182	-1,792	-1,496	-1,678	-1,655	-1,520	-1,520
17. Gross Domestic Product at 1992 prices	315,317 -1.4	315,783 0.1	318,319 0.8	320,335 0.6	325,437 1.6	331,108 1.7	336,009 1.5	336,009 1.5
* 18. Final domestic demand	-5.4	0.6	3.3	2.6	6.5	7.2	6.1	6.1
	283,468 0.7	285,780 0.8	288,303 0.9	292,933 1.6	294,146 0.4	297,835 1.3	303,948 2.1	303,948 2.1

**Notes:** Per cent change from previous quarter at quarterly rates is given on the second line.

\* Annualized per cent change from previous quarter.

**Sources:** *Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada*

**SOURCES AND DISPOSITION OF ONTARIO PERSONAL INCOME**

(\$ millions, seasonally adjusted at annual rates)

TABLE 4

	1996				1997			
	I	II	III	IV	I	II	III	IV
	-0.2	0.7	0.9	1.4	1.4	1.0	0.8	0.2
1. Wages, salaries and supplementary labour income ( <i>national basis</i> )	172,331	173,592	175,131	177,537	179,983	181,841	183,300	183,651
2. Net income of farm operators from farm production	-95	-149	-147	-98	-133	-99	-58	-93
	-178.1	56.7	-1.0	-33.6	36.4	-25.5	-42.0	62.2
3. Net income of non-farm unincorporated business including rent	19,827	20,269	20,587	20,897	21,324	21,800	21,951	22,325
	1.2	2.2	1.6	1.5	2.0	2.2	0.7	1.7
4. Interest, dividends and miscellaneous investment income	32,447	31,733	31,038	30,252	29,847	29,440	29,291	29,588
	-3.0	-2.2	-2.2	-2.5	-1.3	-1.4	-0.5	1.0
5. Current transfers from government, corporations and non-residents	38,021	37,700	37,091	37,100	37,067	38,098	37,678	38,335
	0.7	-0.8	-1.6	0.0	-0.1	2.8	-1.1	1.7
6. Equals: Personal income	262,531	263,145	263,700	265,688	268,088	271,080	272,162	273,806
	-0.4	0.2	0.2	0.8	0.9	1.1	0.4	0.6
7. Deduct: Personal direct taxes	44,917	46,166	45,864	46,226	47,058	47,999	48,575	49,352
	1.9	2.8	-0.7	0.8	1.8	2.0	1.2	1.6
8. Other current transfers to government	11,272	11,323	11,253	11,127	11,502	11,885	11,985	11,954
	-0.3	0.5	-0.6	-1.1	3.4	3.3	0.8	-0.3
9. Equals: Personal disposable income	206,342	205,656	206,583	208,335	209,528	211,196	211,602	212,500
	-0.9	-0.3	0.5	0.8	0.6	0.8	0.2	0.4
10. Deduct: Personal expenditure on consumer goods and services	183,810	184,984	186,588	189,553	191,295	195,107	199,373	201,963
	1.2	0.6	0.9	1.6	0.9	2.0	2.2	1.3
11. Current transfers to corporations	3,885	3,827	3,777	3,776	3,315	3,047	3,021	3,165
	-2.5	-1.5	-1.3	0.0	-12.2	-8.1	-0.9	4.8
12. Current transfers to non-residents	411	415	420	424	441	442	440	443
	3.9	1.0	1.2	1.0	3.9	0.2	-0.3	0.7
13. Equals: Personal saving	18,236	16,430	15,798	14,582	14,477	12,600	8,768	6,929
	-18.1	-9.9	-3.8	-7.7	-0.7	-13.0	-30.4	-21.0
14. Personal savings rate	8.8	8.0	7.6	7.0	6.9	6.0	4.1	3.3

ote: Per cent change from previous quarter at quarterly rates is given on the second line.

ources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO TRADE**

(\$ millions, seasonally adjusted at annual rates)

TABLE 5

	1996				1997			
	I	II	III	IV	I	II	III	IV
1. Exports of Goods and Services	213,079	215,027	215,735	207,163	223,034	227,462	231,352	237,928
0.0	0.9	0.3	-4.0	7.7	2.0	1.7	2.8	
2. Of Which: International	149,503	150,797	150,011	140,317	154,958	158,652	161,172	167,530
0.0	0.9	-0.5	-6.5	10.4	2.4	1.6	3.9	
3. Goods	129,665	131,017	130,555	119,811	134,424	137,648	140,486	146,646
0.1	1.0	-0.4	-8.2	12.2	2.4	2.1	4.4	
4. Services	19,838	19,780	19,456	20,506	20,534	21,004	20,686	20,884
-0.7	-0.3	-1.6	5.4	0.1	2.3	-1.5	1.0	
5. Of Which: Interprovincial goods and services	63,576	64,230	65,724	66,846	68,076	68,810	70,180	70,398
0.2	1.0	2.3	1.7	1.8	1.1	2.0	0.3	
6. Imports of Goods and Services	179,082	181,180	181,880	178,146	189,298	198,195	205,080	213,617
1.2	1.2	0.4	-2.0	6.3	4.7	3.5	4.2	
7. Trade Balance	33,997	33,847	33,875	29,017	33,736	29,327	26,272	24,311

Note: Per cent change from previous quarter at quarterly rates is given on the second line.

Source: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO DEFLATATORS**  
*(1992 = 100)*
**TABLE 6**

	1996				1997			
	I	II	III	IV	I	II	III	IV
1. Personal expenditure on consumer goods and services:	105.3	105.8	106.1	106.9	107.4	107.8	108.1	108.5
	0.2	0.4	0.3	0.7	0.5	0.4	0.2	0.4
2. Goods	101.7	102.4	102.6	103.4	103.5	103.7	104.2	104.3
	0.3	0.7	0.2	0.8	0.1	0.2	0.5	0.1
3. Services	108.4	108.6	109.1	109.9	110.8	111.4	111.4	112.1
	0.2	0.2	0.5	0.7	0.8	0.5	0.0	0.6
4. Government expenditure on goods and services:	102.5	102.0	101.3	100.9	100.9	100.4	100.7	100.6
	-0.6	-0.6	-0.7	-0.4	0.0	-0.5	0.3	-0.1
5. Current expenditure	102.8	102.2	101.6	101.3	101.3	100.8	101.1	100.9
	-0.5	-0.6	-0.6	-0.3	0.0	-0.5	0.3	-0.2
6. Capital expenditure	100.3	99.7	98.1	97.1	97.1	96.5	96.8	97.4
	-2.1	-0.6	-1.6	-1.0	0.0	-0.6	0.3	0.6
7. Business gross fixed capital formation:	104.9	104.5	104.1	103.8	103.9	105.1	104.8	105.6
	0.1	-0.4	-0.3	-0.3	0.1	1.2	-0.3	0.8
8. Residential construction	105.0	104.8	104.5	104.6	105.0	106.2	106.1	106.7
	-0.5	-0.2	-0.3	0.1	0.4	1.1	-0.1	0.6
9. Non-residential construction	106.0	106.3	106.4	105.7	106.6	107.4	107.5	108.4
	0.4	0.3	0.1	-0.7	0.9	0.8	0.1	0.8
10. Machinery and equipment	104.5	103.6	103.1	102.6	102.3	103.6	103.1	104.1
	0.5	-0.9	-0.5	-0.5	-0.3	1.3	-0.5	1.0
11. Exports of goods and services	111.0	110.7	111.2	111.5	110.3	110.7	109.0	109.4
	1.1	-0.3	0.5	0.3	-1.1	0.4	-1.5	0.4
12. DEDUCT: Imports of goods and services	112.7	112.7	112.1	112.3	111.6	113.2	111.2	113.1
	0.7	0.0	-0.5	0.2	-0.6	1.4	-1.8	1.7
13. Gross Domestic Product at market prices	104.4	104.6	105.1	105.6	106.0	105.4	105.1	105.0
	0.4	0.2	0.5	0.5	0.3	-0.5	-0.3	-0.1
*	1.8	0.7	2.0	2.2	1.2	-2.0	-1.2	-0.5
4. Final domestic demand	104.6	104.6	104.7	105.0	105.3	105.7	105.9	106.2
	0.0	0.0	0.0	0.3	0.3	0.3	0.2	0.4

**Notes:** Per cent change from previous quarter at quarterly rates is given on the second line.

\* Annualized per cent change from previous quarter.

**Sources:** Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

*Ontario Economic Accounts, Annual Data*
**ONTARIO GROSS DOMESTIC PRODUCT, (INCOME BASED)**  
*(\$ millions)*

TABLE 7

	1993	1994	1995	1996	1997
1. Wages, salaries and supplementary labour income ( <i>domestic basis</i> )	164,383 1.0	167,173 1.7	173,228 3.6	177,635 2.5	185,288 4.3
2. Corporation profits before taxes	18,131 24.5	25,730 41.9	31,167 21.1	30,106 -3.4	36,606 21.6
3. Interest and miscellaneous investment income	16,295 -10.6	16,605 1.9	16,832 1.4	15,873 -5.7	15,313 -3.5
4. Accrued net income of farm operators from farm production	323 48.3	138 -57.3	141 2.3	-118 -183.6	96 -181.4
5. Net income of non-farm unincorporated business including rent	17,361 7.1	18,258 5.2	19,217 5.2	20,395 6.1	21,850 7.1
6. Inventory valuation adjustment	-1,354	-2,700	-1,184	-586	-861
7. Net Domestic Income at factor cost	215,139 2.1	225,204 4.7	239,401 6.3	243,305 1.6	258,292 6.2
8. Indirect taxes less subsidies	43,059 2.4	45,032 4.6	45,898 1.9	47,613 3.7	49,733 4.5
9. Capital consumption allowances and miscellaneous valuation adjustments	34,950 4.2	37,143 6.3	39,547 6.5	42,150 6.6	42,375 0.5
10. Gross Domestic Product at market prices	293,148 2.4	307,379 4.9	324,846 5.7	333,068 2.5	350,400 5.2

Note: Percentage change from previous year is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT, (EXPENDITURE BASED)**  
**(\$ millions)**
**TABLE 8**

	1993	1994	1995	1996	1997
<b>1. Personal expenditure on consumer goods and services:</b>	<b>169,069</b>	<b>174,876</b>	<b>180,586</b>	<b>186,234</b>	<b>196,935</b>
	3.9	3.4	3.3	3.1	5.7
<b>2. Goods</b>	<b>76,433</b>	<b>78,892</b>	<b>80,877</b>	<b>82,849</b>	<b>88,122</b>
	2.3	3.2	2.5	2.4	6.4
<b>3. Services</b>	<b>92,636</b>	<b>95,984</b>	<b>99,709</b>	<b>103,385</b>	<b>108,813</b>
	5.2	3.6	3.9	3.7	5.3
<b>4. Government expenditure on goods and services:</b>	<b>71,910</b>	<b>71,539</b>	<b>72,375</b>	<b>69,914</b>	<b>68,473</b>
	-0.6	-0.5	1.2	-3.4	-2.1
<b>5. Current expenditure</b>	<b>65,790</b>	<b>64,555</b>	<b>65,011</b>	<b>63,288</b>	<b>62,641</b>
	0.8	-1.9	0.7	-2.6	-1.0
<b>6. Capital expenditure</b>	<b>6,120</b>	<b>6,984</b>	<b>7,364</b>	<b>6,626</b>	<b>5,832</b>
	-13.9	14.1	5.4	-10.0	-12.0
<b>7. Business gross fixed capital formation:</b>	<b>38,135</b>	<b>41,180</b>	<b>41,095</b>	<b>45,065</b>	<b>52,207</b>
	-7.8	8.0	-0.2	9.7	15.8
<b>8. Residential construction</b>	<b>14,786</b>	<b>15,783</b>	<b>13,735</b>	<b>15,606</b>	<b>18,407</b>
	-6.1	6.7	-13.0	13.6	17.9
<b>9. Non-residential construction</b>	<b>7,464</b>	<b>6,617</b>	<b>6,690</b>	<b>7,615</b>	<b>7,996</b>
	-19.2	-11.4	1.1	13.8	5.0
<b>10. Machinery and equipment</b>	<b>15,885</b>	<b>18,780</b>	<b>20,670</b>	<b>21,844</b>	<b>25,804</b>
	-3.0	18.2	10.1	5.7	18.1
<b>11. Exports of goods and services</b>	<b>157,183</b>	<b>177,467</b>	<b>200,983</b>	<b>212,751</b>	<b>229,944</b>
	11.3	12.9	13.3	5.9	8.1
<b>12. DEDUCT: Imports of goods and services</b>	<b>141,370</b>	<b>157,762</b>	<b>173,760</b>	<b>180,067</b>	<b>201,533</b>
	12.0	11.6	10.1	3.6	11.9
<b>13. Value of physical change in inventories:</b>	<b>-1,285</b>	<b>735</b>	<b>4,338</b>	<b>-83</b>	<b>4,546</b>
<b>14. Non-farm</b>	<b>-1,376</b>	<b>750</b>	<b>4,362</b>	<b>180</b>	<b>4,688</b>
<b>15. Farm and grain in commercial channels</b>	<b>91</b>	<b>-15</b>	<b>-24</b>	<b>-263</b>	<b>-142</b>
<b>16. Statistical discrepancy</b>	<b>-494</b>	<b>-656</b>	<b>-771</b>	<b>-746</b>	<b>-172</b>
<b>17. Gross Domestic Product at market prices</b>	<b>293,148</b>	<b>307,379</b>	<b>324,846</b>	<b>333,068</b>	<b>350,400</b>
	2.4	4.9	5.7	2.5	5.2
<b>18. Gross Domestic Product at 1992 prices</b>	<b>291,184</b>	<b>304,089</b>	<b>313,842</b>	<b>317,439</b>	<b>332,596</b>
	1.7	4.4	3.2	1.1	4.8

Note: Percentage change from previous year is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT AT 1992 PRICES**  
(\$ millions)

TABLE 9

	1993	1994	1995	1996	1997
1. Personal expenditure on consumer goods and services:	165,040 1.4	169,741 2.8	172,561 1.7	175,651 1.8	182,439 3.9
2. Goods	75,064 0.5	78,329 4.3	79,663 1.7	80,803 1.4	84,788 4.9
3. Services	89,976 2.2	91,412 1.6	92,898 1.6	94,848 2.1	97,651 3.0
4. Government expenditure on goods and services:	70,973 -1.9	70,188 -1.1	70,407 0.3	68,766 -2.3	68,021 -1.1
5. Current expenditure	64,931 -0.5	63,428 -2.3	63,317 -0.2	62,062 -2.0	62,005 -0.1
6. Capital expenditure	6,042 -15.0	6,760 11.9	7,090 4.9	6,704 -5.4	6,016 -10.3
7. Business gross fixed capital formation:	37,673 -8.9	39,715 5.4	39,228 -1.2	43,205 10.1	49,784 15.2
8. Residential construction	14,701 -6.6	15,219 3.5	13,045 -14.3	14,905 14.2	17,361 16.5
9. Non-residential construction	7,334 -20.6	6,247 -14.8	6,284 0.6	7,177 14.2	7,441 3.7
10. Machinery and equipment	15,638 -4.6	18,249 16.7	19,899 9.0	21,123 6.1	24,982 18.3
11. Exports of goods and services	154,822 9.6	167,376 8.1	183,174 9.4	191,502 4.5	209,354 9.3
12. DEDUCT: Imports of goods and services	135,070 7.0	143,284 6.1	154,793 8.0	160,132 3.4	179,488 12.1
13. Value of physical change in inventories:	-1,218	1,477	4,591	-379	4,146
14. Non-farm	-1,218	1,300	4,549	-255	4,253
15. Farm and grain in commercial channels	0	177	42	-124	-107
16. Statistical discrepancy	-1,036	-1,124	-1,326	-1,174	-1,660
17. Gross Domestic Product at 1992 prices	291,184 1.7	304,089 4.4	313,842 3.2	317,439 1.1	332,596 4.8
18. Final domestic demand	273,686 -1.0	279,645 2.2	282,195 0.9	287,621 1.9	300,244 4.4

Notes: Percentage change from previous year is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**SOURCES AND DISPOSITION OF ONTARIO PERSONAL INCOME**  
*(*\$ millions*)*
**TABLE 10**

	1993	1994	1995	1996	1997
<b>1. Wages, salaries and supplementary labour income (<i>national basis</i>)</b>	<b>161,645</b> 0.9	<b>164,439</b> 1.7	<b>170,334</b> 3.6	<b>174,647</b> 2.5	<b>182,194</b> 4.3
<b>2. Net income of farm operators from farm production</b>	<b>361</b> 78.6	<b>99</b> -72.5	<b>105</b> 5.8	<b>-122</b> -216.1	<b>-96</b> -21.5
<b>3. Net income of non-farm unincorporated business including rent</b>	<b>17,361</b> 7.1	<b>18,258</b> 5.2	<b>19,217</b> 5.2	<b>20,395</b> 0.1	<b>21,850</b> 7.1
<b>4. Interest, dividends and miscellaneous investment income</b>	<b>29,799</b> -6.2	<b>30,215</b> 1.4	<b>33,180</b> 9.8	<b>31,367</b> -5.5	<b>29,542</b> -5.8
<b>5. Current transfers from government, corporations and non-residents</b>	<b>37,585</b> 4.3	<b>38,262</b> 1.8	<b>38,358</b> 0.3	<b>37,478</b> -2.3	<b>37,794</b> 0.8
<b>6. Equals: Personal income</b>	<b>246,751</b> 1.0	<b>251,273</b> 1.8	<b>261,194</b> 3.9	<b>263,765</b> 1.0	<b>271,284</b> 2.9
<b>7. Deduct: Personal direct taxes</b>	<b>39,295</b> -0.8	<b>40,522</b> 3.1	<b>43,071</b> 6.3	<b>45,793</b> 6.3	<b>48,246</b> 5.4
<b>8. Other current transfers to government</b>	<b>10,298</b> 2.9	<b>10,859</b> 5.4	<b>11,251</b> 3.6	<b>11,244</b> -0.1	<b>11,831</b> 5.2
<b>9. Equals: Personal disposable income</b>	<b>197,158</b> 1.2	<b>199,892</b> 1.4	<b>206,872</b> 3.5	<b>206,728</b> -0.1	<b>211,207</b> 2.2
<b>10. Deduct: Personal expenditure on consumer goods and services</b>	<b>169,069</b> 3.9	<b>174,876</b> 3.4	<b>180,586</b> 3.3	<b>186,234</b> 3.1	<b>196,935</b> 5.7
<b>11. Current transfers to corporations</b>	<b>2,873</b> -17.9	<b>3,059</b> 6.5	<b>4,059</b> 32.7	<b>3,816</b> -6.0	<b>3,137</b> -17.8
<b>12. Current transfers to non-residents</b>	<b>340</b> 0.0	<b>389</b> 14.4	<b>405</b> 3.9	<b>418</b> 3.2	<b>441</b> 5.7
<b>13. Equals: Personal saving</b>	<b>24,876</b> -11.6	<b>21,568</b> -13.3	<b>21,822</b> 1.2	<b>16,260</b> -25.5	<b>10,694</b> -34.2
<b>14. Personal savings rate</b>	<b>12.6</b>	<b>10.8</b>	<b>10.5</b>	<b>7.9</b>	<b>5.1</b>

Note: Percentage change from previous year is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

*Ontario Economic Accounts, Annual Data***ONTARIO TRADE**

(\$ millions)

TABLE 11

	1993	1994	1995	1996	1997
<b>1. Exports of Goods and Services</b>	<b>157,183</b>	<b>177,467</b>	<b>200,983</b>	<b>212,751</b>	<b>229,944</b>
	11.3	12.9	13.3	5.9	8.1
<b>2. Of Which: International</b>	<b>102,593</b>	<b>120,678</b>	<b>140,404</b>	<b>147,657</b>	<b>160,578</b>
	15.9	17.6	16.3	5.2	8.8
<b>3. Goods</b>	<b>87,371</b>	<b>104,430</b>	<b>122,303</b>	<b>127,762</b>	<b>139,801</b>
	15.5	19.5	17.1	4.5	9.4
<b>4. Services</b>	<b>15,222</b>	<b>16,248</b>	<b>18,101</b>	<b>19,895</b>	<b>20,777</b>
	17.9	6.7	11.4	9.9	4.4
<b>5. Of Which: Interprovincial goods and services</b>	<b>54,590</b>	<b>56,789</b>	<b>60,579</b>	<b>65,094</b>	<b>69,366</b>
	3.6	4.0	6.7	7.5	6.6
<b>6. Imports of Goods and Services</b>	<b>141,370</b>	<b>157,762</b>	<b>173,760</b>	<b>180,067</b>	<b>201,533</b>
	12.0	11.6	10.1	3.6	11.9
<b>7. Trade Balance</b>	<b>15,813</b>	<b>19,705</b>	<b>27,223</b>	<b>32,684</b>	<b>28,411</b>

Note: Percentage change from previous year is given on the second line.

Source: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO DEFATORS**

(1992 = 100)

**TABLE 12**

	<b>1993</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>
<b>1. Personal expenditure on consumer goods and services:</b>	<b>102.4</b> 2.4	<b>103.0</b> 0.6	<b>104.6</b> 1.6	<b>106.0</b> 1.3	<b>107.9</b> 1.8
<b>2. Goods</b>	<b>101.8</b> 1.8	<b>100.7</b> -1.1	<b>101.5</b> 0.8	<b>102.5</b> 1.0	<b>103.9</b> 1.4
<b>3. Services</b>	<b>103.0</b> 3.0	<b>105.0</b> 2.0	<b>107.3</b> 2.2	<b>109.0</b> 1.6	<b>111.4</b> 2.2
<b>4. Government expenditure on goods and services:</b>	<b>101.3</b> 1.3	<b>101.9</b> 0.6	<b>102.8</b> 0.9	<b>101.7</b> -1.1	<b>100.7</b> -1.0
<b>5. Current expenditure</b>	<b>101.3</b> 1.3	<b>101.8</b> 0.4	<b>102.7</b> 0.9	<b>102.0</b> -0.7	<b>101.0</b> -0.9
<b>6. Capital expenditure</b>	<b>101.4</b> 1.3	<b>103.3</b> 1.9	<b>103.9</b> 0.6	<b>98.8</b> -4.9	<b>97.0</b> -1.9
<b>7. Business gross fixed capital formation:</b>	<b>101.3</b> 1.3	<b>103.7</b> 2.4	<b>104.8</b> 1.0	<b>104.3</b> -0.4	<b>104.9</b> 0.5
<b>8. Residential construction</b>	<b>100.6</b> 0.6	<b>103.7</b> 3.1	<b>105.3</b> 1.5	<b>104.7</b> -0.5	<b>106.0</b> 1.2
<b>9. Non-residential construction</b>	<b>101.8</b> 1.8	<b>106.0</b> 4.1	<b>106.5</b> 0.5	<b>106.1</b> -0.4	<b>107.5</b> 1.3
<b>10. Machinery and equipment</b>	<b>101.8</b> 1.7	<b>103.2</b> 1.4	<b>103.9</b> 0.7	<b>103.5</b> -0.4	<b>103.3</b> -0.2
<b>11. Exports of goods and services</b>	<b>101.5</b> 1.5	<b>106.0</b> 4.4	<b>109.7</b> 3.5	<b>111.1</b> 1.3	<b>109.9</b> -1.1
<b>12. DEDUCT: Imports of goods and services</b>	<b>104.7</b> 4.7	<b>110.1</b> 5.2	<b>112.3</b> 2.0	<b>112.5</b> 0.2	<b>112.3</b> -0.2
<b>13. Gross Domestic Product at market prices</b>	<b>100.7</b> 0.7	<b>101.1</b> 0.4	<b>103.5</b> 2.4	<b>104.9</b> 1.4	<b>105.4</b> 0.4
<b>14. Final domestic demand</b>	<b>102.0</b> 1.9	<b>102.8</b> 0.8	<b>104.2</b> 1.3	<b>104.7</b> 0.5	<b>105.8</b> 1.0

Note: Percentage change from previous year is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO PRODUCTION BY INDUSTRY, 1992\$**  
*(\$millions, seasonally adjusted at annual rates)*

TABLE 13

	1996				1997			
	I	II	III	IV	I	II	III	IV
1. Primary	6,049 1.3	6,013 -0.6	5,983 -0.5	5,908 -1.2	5,822 -1.5	5,836 0.2	5,909 1.2	5,968 1.0
2. Manufacturing	60,361 -0.9	60,935 1.0	61,581 1.1	61,386 -0.3	63,304 3.1	64,920 2.6	66,163 1.9	67,317 1.7
3. Construction	11,329 2.0	11,815 4.3	12,430 5.2	12,568 1.1	12,613 0.4	13,052 3.5	13,005 -0.4	13,020 0.1
4. Utilities	7,732 -0.7	7,630 -1.3	7,615 -0.2	7,837 2.9	7,814 -0.3	7,965 1.9	7,641 -4.1	7,218 -5.5
5. Goods Producing Industries	85,471 -0.4	86,393 1.1	87,609 1.4	87,699 0.1	89,554 2.1	91,773 2.5	92,718 1.0	93,522 0.9
6. Transportation, Storage and Communication	16,242 0.9	16,724 3.0	17,199 2.8	17,215 0.1	17,725 3.0	17,950 1.3	18,114 0.9	18,420 1.7
7. Wholesale & Retail Trade	30,415 1.1	30,592 0.6	31,407 2.7	32,034 2.0	32,715 2.1	33,494 2.4	34,686 3.6	35,621 2.7
8. Finance, Insurance and Real Estate	45,057 1.0	45,401 0.8	45,672 0.6	46,935 2.8	46,647 -0.6	46,845 0.4	47,478 1.4	47,585 0.2
9. Community, Business and Personal Services	67,776 0.1	67,517 -0.4	68,221 1.0	69,126 1.3	69,632 0.7	69,905 0.4	70,559 0.9	69,533 -1.5
10. Government Services	14,634 -5.5	15,130 3.4	15,022 -0.7	14,953 -0.4	14,836 -0.8	14,584 -1.7	14,428 -1.1	14,241 -1.3
11. Services Producing Industries	174,125 0.1	175,363 0.7	177,520 1.2	180,272 1.6	181,554 0.7	182,778 0.7	185,266 1.4	185,399 0.1
12. Miscellaneous Industries	1,842	1,400	1,413	1,319	1,417	1,510	1,607	1,697
13. Total Production (1992\$) at Factor Cost	261,439 -0.4	263,156 0.7	266,542 1.3	269,290 1.0	272,526 1.2	276,061 1.3	279,590 1.3	280,618 0.4
*	-1.6	2.7	5.2	4.2	4.9	5.3	5.2	1.5
14. Indirect Taxes Less Subsidies plus Miscellaneous Adjustments	53,878	52,627	51,777	51,045	52,911	55,047	56,418	57,212
15. Gross Domestic Product (1992\$) at Market Prices	315,317 -1.4	315,783 0.1	318,319 0.8	320,335 0.6	325,437 1.6	331,108 1.7	336,009 1.5	337,830 0.5
*	-5.4	0.6	3.3	2.6	6.5	7.2	6.1	2.2

Notes: Percentage change from previous quarter is given on second line.

\* Annualized per cent change from previous quarter

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

*Ontario Economic Accounts, Annual Data***ONTARIO PRODUCTION BY INDUSTRY, 1992\$**

(\$millions)

**TABLE 14**

	1993	1994	1995	1996	1997
<b>1. Primary</b>	5,650 1.3	5,812 2.9	5,921 1.9	5,988 1.1	5,884 -1.7
<b>2. Manufacturing</b>	52,300 5.6	56,453 7.9	60,860 7.8	61,066 0.3	65,426 7.1
<b>3. Construction</b>	11,808 -12.6	12,259 3.8	11,559 -5.7	12,035 4.1	12,923 7.4
<b>4. Utilities</b>	7,514 2.8	7,864 4.7	7,775 -1.1	7,703 -0.9	7,659 -0.6
<b>5. Goods Producing Industries</b>	77,273 1.8	82,388 6.6	86,115 4.5	86,793 0.8	91,892 5.9
<b>6. Transportation, Storage and Communication</b>	14,866 -0.7	15,440 3.9	15,995 3.6	16,845 5.3	18,052 7.2
<b>7. Wholesale &amp; Retail Trade</b>	27,375 1.5	29,625 8.2	30,360 2.5	31,112 2.5	34,129 9.7
<b>8. Finance, Insurance and Real Estate</b>	43,080 3.4	44,222 2.7	44,372 0.3	45,766 3.1	47,139 3.0
<b>9. Community, Business and Personal Services</b>	64,344 1.9	65,306 1.5	67,209 2.9	68,160 1.4	69,907 2.6
<b>10. Government Services</b>	16,177 -0.7	16,036 -0.9	15,727 -1.9	14,937 -5.0	14,522 -2.8
<b>11. Services Producing Industries</b>	165,841 1.7	170,629 2.9	173,663 1.8	176,820 1.8	183,749 3.9
<b>12. Miscellaneous Industries</b>	1,665	1,632	1,573	1,493	1,558
<b>13. Total Production (92\$) at Factor Cost</b>	244,779 1.7	254,649 4.0	261,351 2.6	265,107 1.4	277,199 4.6
<b>14. Indirect Taxes Less Subsidies plus Miscellaneous Adjustments</b>	46,406	49,441	52,491	52,332	55,397
<b>15. Gross Domestic Product (1992\$) at Market Prices</b>	291,184 1.7	304,089 4.4	313,842 3.2	317,439 1.1	332,596 4.8

Notes: Percentage change from previous year is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada









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This document is also available on the Internet at <http://www.gov.on.ca/FIN/english/oecoeng.htm>

# ONTARIO ECONOMIC ACCOUNTS

*First Quarter of 1998*

(January, February, March)

CAZON  
TR 17  
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Ministry of Finance  
Office of Economic Policy  
Macroeconomic Analysis and Policy Branch  
July, 1998

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## FIRST QUARTER HIGHLIGHTS: Ontario Real GDP Up 1.5%

- ⇒ The Ontario economy recorded strong growth in the January-March period, with **real GDP** rising by 1.5% (6.0% at annualized rates), double the 0.7% advance recorded in 1997:4, when labour disruptions slowed economic activity.
- ⇒ **Household spending** rose by 1.3%, as consumer confidence rose to its highest level in nine years.
- ⇒ A strong gain in employment, combined with higher average industrial earnings helped lift **after-tax personal income** by 2.9%, the fastest quarterly gain since mid-1991. After-tax income was also boosted by Ontario government payments to families affected by the teachers' withdrawal of services.
- ⇒ The **housing market** was healthy in the first quarter, with new construction and renovation spending rising.
- ⇒ **Exports** rose by 1.8%, with gains in iron and steel, cars, computers, aircraft and industrial machinery. **Imports** increased by 1.3%, resulting in a rise in the trade balance for the first time in a year.
- ⇒ Manufacturing, construction, transportation, and retail trade sectors all grew strongly.

## OVERVIEW: Economy Maintains Strong Momentum in 1998:1

The Ontario economy continued to expand at a healthy rate in the first quarter of 1998 (January-March), with real GDP rising 1.5% (6.0% at annualized rates). This followed revised growth of 0.7% in the final quarter of 1997 (3.0% annualized).

Growth in the first quarter was led by a rise in household sector expenditures, as ongoing income and employment gains, combined with rising confidence contributed to a solid increase in consumer spending on goods and services. A healthy housing market also lifted growth.

On the external trade front, exports recorded their fifth consecutive quarterly advance, with manufactured products leading the way. Imports rose at a slower pace than exports, resulting in the first widening of the trade balance in a year.

On the industry side, higher production was concentrated in manufacturing, construction, transportation and retail trade, more than offsetting lower activity in utilities and wholesale trade.

**QUARTERLY ONTARIO KEY ECONOMIC INDICATORS**

(% change from previous period)

	1996	1997	1997:2	1997:3	1997:4	1998:1
<b>Real GDP (1992\$)</b>	1.1	4.4	1.5	1.7	0.7	1.5
Personal spending	2.1	4.5	1.5	2.0	0.9	1.3
Government spending	-2.7	-1.1	1.2	2.2	0.1	1.7
Residential construction	12.3	19.1	7.4	1.3	3.3	6.2
Non-residential construction	21.4	7.4	-0.3	0.5	-1.5	0.1
Machinery & equipment	6.3	18.7	0.0	7.6	0.4	-4.2
Exports	4.6	10.3	1.8	3.3	2.6	1.8
Imports	4.5	14.1	3.4	4.9	3.0	1.3
Business Inventories (\$1992 billions)	0.0	2.6	2.7	3.3	4.3	4.0
<b>Nominal GDP (Current\$)</b>	2.5	4.8	1.3	1.5	0.6	1.7
Corporation profits	-5.8	16.8	1.7	6.2	1.2	0.2
Personal income	2.0	2.6	0.7	0.5	0.1	2.4
Personal disposable income	0.7	1.5	0.1	0.2	-0.3	2.9
<b>Prices</b>						
GDP deflator	1.4	0.4	-0.2	-0.2	-0.1	0.3
Consumer Price Index (Y/Y%)	1.5	1.9	2.0	2.1	1.1	1.0

**Ontario Economic Accounts Revisions**

With the release of the first quarter *Ontario Economic Accounts*, real GDP data have been revised for the 1992-1997 period to reflect changes in Statistics Canada's *Provincial Economic Accounts*, as well as revisions to the *Canadian National Economic and Financial Accounts*.

For 1997, Ontario real GDP growth was revised from 4.8% to 4.4%, while nominal GDP growth was revised from 5.2% to 4.8%.

## Household Spending Gains Momentum in the First Quarter

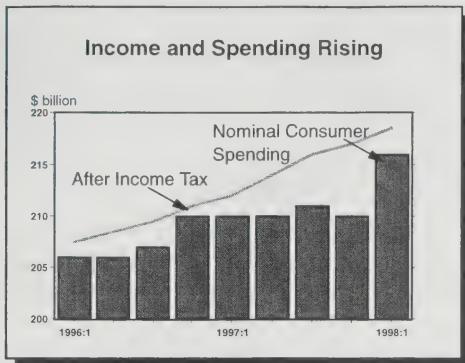
In the first quarter of 1998, Ontario households increased expenditures on consumer goods and services, and housing, maintaining a pattern of rising spending under way since the start of 1996. This trend was supported by high levels of consumer confidence, a robust Ontario job market and low interest rates.

**Real consumer spending** rose 1.3% in 1998:1, up for the ninth consecutive quarter. Higher consumer spending was particularly evident for housing related items, clothing and footwear, which outweighed a reduction in auto purchases.

The increase in spending was underpinned by a 2.9% surge in **after-tax income** in 1998:1. Growth in labour income, the largest component of personal income, rebounded by 2.3% in the first quarter. This followed a 0.2% increase in the final quarter of 1997, which reflected the impact of a strike by Canada Post workers and the withdrawal of services by Ontario teachers. Personal income was boosted in the first quarter by Ontario government payments to families affected by the teachers' withdrawal of services.

With after-tax income rising faster than nominal consumer spending, the Ontario **savings rate** rose from 1.0% in 1997:4 to 2.5% in 1998:1, the first increase in the savings rate in three years.

In the **housing market**, real residential construction jumped 6.2% in the first quarter. Gains in new construction and alterations and improvements, were partially offset by a decline in the resale market.



### Ontario Consumer Indicators (quarter-over-quarter change)

**1998:1**

Consumer Confidence	+4.5%
Personal Income	+2.4%
After-tax Income	+2.9%
Nominal Consumer Spending	+1.2%
of which: retail sales	+1.0%
Employment	+87,000

## Business Investment

A slowdown in profit growth contributed to a moderation in business investment in 1998:1. **Investment spending on plant and equipment** fell by 3.1% in the first quarter of 1998, after surging by 15.5% in the year 1997 as a whole.

Real machinery and equipment investment declined by 4.2% in 1998:1, following eight straight quarters of rising investment. The decline was concentrated in computers, industrial

equipment and motor vehicles, which offset increased spending on telecommunications equipment. Non-residential construction rose 0.1% in the first quarter.

Business real **inventories** rose by \$4.0 billion in the first quarter, similar to the \$4.3 billion addition in the previous quarter. Stock building took place in the retail and wholesale trade sector, and in manufacturing.

**Corporation profits** in Ontario rose by 0.2% in the first quarter, with increases led by the auto, food and chemicals industries.

## Autos, Computers Push Exports Higher in the First Quarter

Ontario **real exports**, (which include both international and interprovincial exports) rose 1.8% in 1998:1. At the national level, exports of iron and steel, cars, computers, aircraft and industrial machinery rose in the quarter. Exports of food, newsprint, trucks and auto parts declined.

Ontario **imports** increased 1.3% in 1998:1. Growth was concentrated in food, auto parts, telecommunications equipment and computers.

With exports rising faster than imports the real trade surplus climbed to a level of \$25.2 billion (1992\$), up from \$23.8 billion in the previous quarter, reversing a two-year downward trend in the trade surplus.

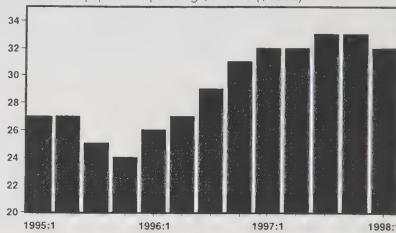
Ontario's real trade balance declined from \$34.8 billion (1992\$) in 1995:4 to \$23.8 billion in 1997:4, before rebounding in the first quarter. This development largely reflects the strength of Ontario's final domestic demand, which rose by 10.6% over this period.

## Low Inflation Continues

The aggregate price level, as measured by the **GDP price deflator**, rose by 0.3% during the quarter, after declining in each quarter during 1997.

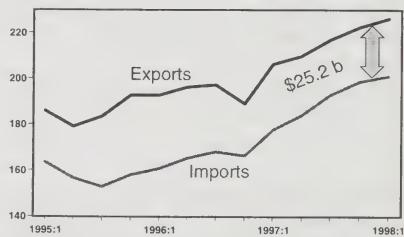
### Business Investment Strong

Plant and Equipment Spending \$billions (\$1992)



### Trade Surplus Widens

\$ billions (\$1992)



Domestic prices declined 0.2% in 1998:1. Prices for consumer goods and services declined 0.1%, with lower prices for goods outweighing a slight increase in service costs. Housing prices advanced by 0.7%.

Export prices fell by 0.1%, with lower prices for chemicals and non-ferrous metals. Import prices declined 0.9%.

## ONTARIO OUTPUT BY SECTOR

(% change from previous period, \$1992)

	1996	1997	1997:2	1997:3	1997:4	1998:1
<b>Goods Sector</b>	-1.3	5.7	2.3	0.9	1.0	1.6
Primary Industries	0.0	0.2	1.1	2.9	2.5	-0.9
Manufacturing	0.7	6.7	2.2	1.5	1.9	2.0
Construction	6.8	7.7	3.5	0.3	-0.5	6.1
Utilities	0.2	0.0	1.8	-3.0	-3.8	-5.8
<b>Service Sector</b>	1.8	3.8	1.1	1.5	0.4	1.4
Transportation, Storage and Communications	4.5	6.4	0.5	0.3	1.1	2.4
Wholesale and Retail Trade	2.4	9.4	3.9	4.1	3.6	0.6
Finance, Insurance and Real Estate	3.4	3.2	1.2	1.2	0.1	0.1
Community, Business and Personal Services	1.4	2.5	0.7	1.3	-0.8	2.6
Government	-4.1	-2.4	-2.1	-1.1	-1.4	0.5

## Industrial Growth Continues in 1998:1

On an industry basis, total real production (\$1992) at factor cost in Ontario rose 1.5% in 1998:1, the same as measured at market prices. Strong growth in construction, manufacturing, transportation, retail trade and community, business and personal services outweighed lower production in primary industries and utilities.

## Retail Trade Continues to Rise

**Retail** trade recorded its seventh consecutive quarter of strong growth, with activity jumping 2.6% in the first quarter, following a 2.0% gain in 1997:4. Retail sales growth was led by strong home furnishing and appliance sales.

**Wholesale** trade declined 0.9% in 1998:1, as auto and computer sales stalled. The decline in auto sales reflects generous dealer sales incentives offered in the final quarter of 1997, which

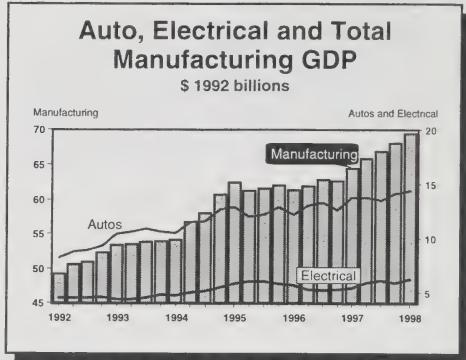
boosted purchases.

## Transportation Equipment Output Up Strong in 1998:1

Manufacturing output rose by 2.0% in the first quarter, led by auto, electrical and electronic products and chemical production.

The **auto sector** continued to advance, with production rising 1.7% in the first quarter, after surging ahead by 4.8% in the fourth quarter, with strong domestic and export demand propelling gains.

Recent strength in the housing market contributed to a 5.8% rise in **furniture** production in the first quarter. The furniture industry in Ontario has more than doubled its output during the past six years.



**Electrical products** manufacturing output rebounded by 4.6% in 1998:1, after falling by 2.9% in the previous quarter.

Of 19 major manufacturing industries, 12 recorded solid growth in 1998:1, with beverage, leather, wood, chemicals, primary metals and non-metallic minerals manufacturers registering some of the strongest gains.

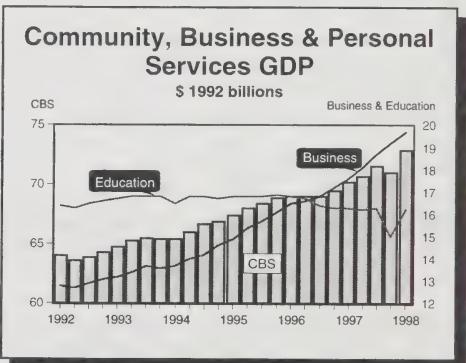
## Weather Affects Utilities

**Utilities** output declined 5.8% in 1998:1, following a 3.8% drop in the previous quarter.

**Hydro electric** production was off 7.1% in the first quarter. Warmer than usual weather, combined with the ice storm in eastern Ontario in early January contributed to the reduction in utilities output.

## Community, Business & Personal Services Activity Rebounds

Community, business and personal services activity jumped 2.6% in the first quarter of 1998, following a 0.8% decline in 1997:4, when Ontario teachers withdrew their services for two weeks. **Education** services rose 8.1% in 1998:1, recovering from a 7.7% drop in the previous quarter. **Business and**

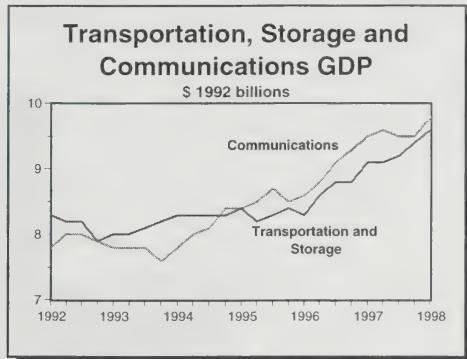


**personal services** grew at modest rates, led by accommodation activity which climbed 2.1%, offsetting a 1.0% reduction in amusement.

**Finance, insurance and real estate** industries rose 0.1% in the first quarter of 1998, following an identical gain in the final quarter of 1997. Lower activity in insurance, real estate and banking was offset by increased brokerage, and mutual fund activity.

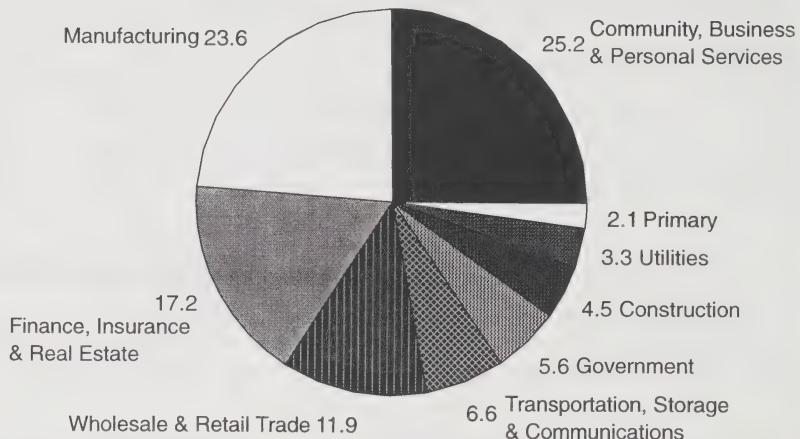
## **Transportation, Storage and Communications Records Healthy Growth**

Total output in the transportation, storage and communications sector rose 2.4% in 1998:1, following a fourth quarter increase of 1.1%. Communications activities bounced back from a 0.4% decline induced by the Postal strike in 1997:4, to record a 2.9% gain in the first quarter.



## Industrial Structure of Ontario Economy, 1997

% share



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### Ontario Production by Industry, 1992\$

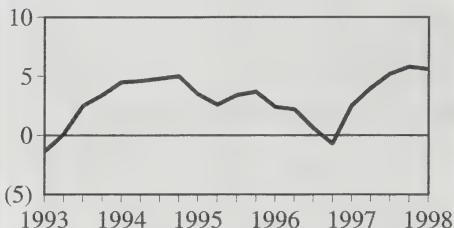
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# Ontario Economic Accounts: Summary (1993:1 - 1998:1)

## Gross Domestic Product

(1992 \$)

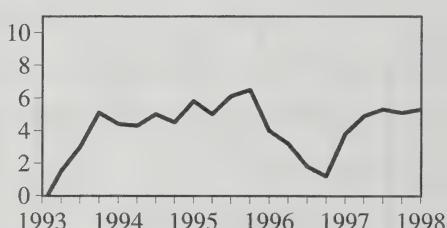
% change, year-over-year



## Gross Domestic Product

(Current \$)

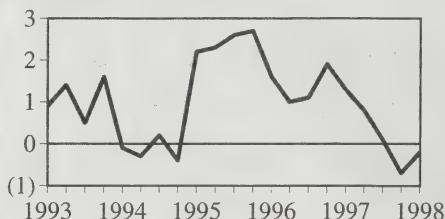
% change, year-over-year



## GDP Deflator

(1992 = 100)

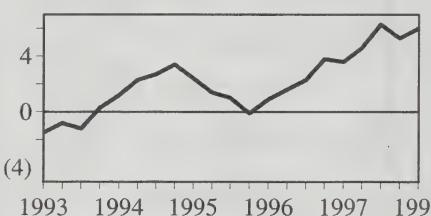
% change, year-over-year



## Final Domestic Demand

(1992 \$)

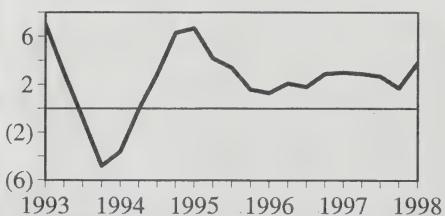
% change, year-over-year



## Personal Income

(Current \$)

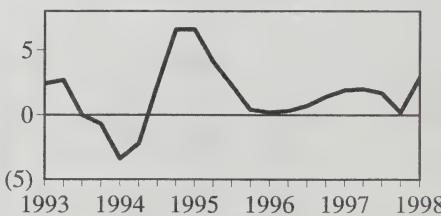
% change, year-over-year



## Personal Disposable Income

(Current \$)

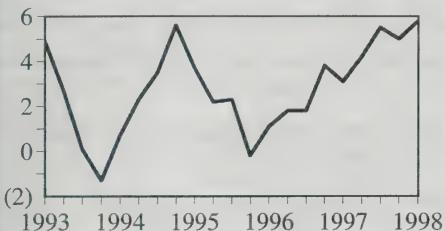
% change, year-over-year



# Ontario Economic Accounts: Summary (1993:1 - 1998:1)

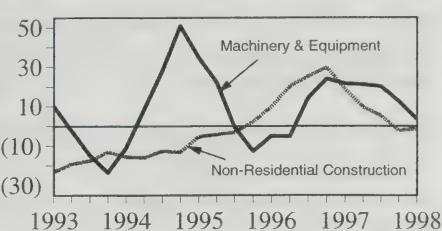
**Consumer Spending**  
(1992 \$)

% change, year-over-year



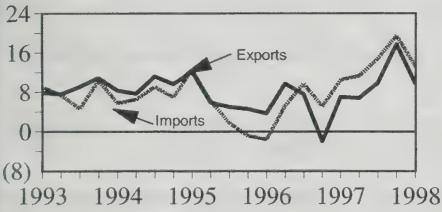
**Business Plant & Equipment**  
(1992 \$)

% change, year-over-year



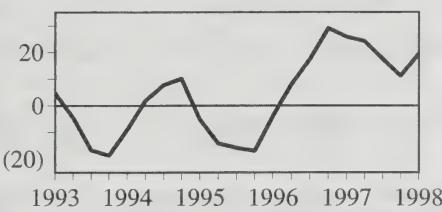
**Trade**  
(1992 \$)

% change, year-over-year



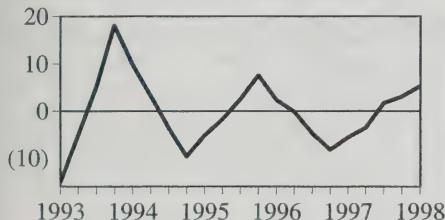
**Residential Construction**  
(1992 \$)

% change, year-over-year



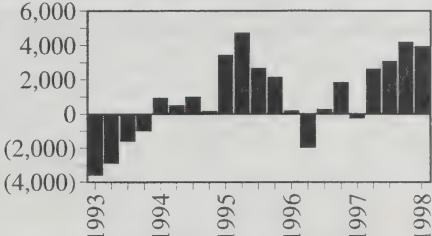
**Government Spending**  
(1992 \$)

% change, year-over-year



**Change in Inventories**  
(1992 \$)

millions



**ONTARIO GROSS DOMESTIC PRODUCT, (INCOME BASED)**

(\$ millions, seasonally adjusted at annual rates)

TABLE

	1993				1994			
	I	II	III	IV	I	II	III	IV
	1	2	3	4	5	6	7	8
1. Wages, salaries and supplementary labour income ( <i>domestic basis</i> )	164,606 0.0	164,965 0.2	164,488 -0.3	163,473 -0.6	163,138 -0.2	166,573 2.1	168,329 1.1	170, 1.1
2. Corporation profits before taxes	16,269 18.6	16,608 2.1	17,498 5.4	20,997 20.0	23,351 11.2	25,431 8.9	26,331 3.5	28, 3.5
3. Interest and miscellaneous investment income	17,542 -4.8	18,307 4.4	18,143 -0.9	17,392 -4.1	17,592 1.1	18,136 3.1	17,505 -3.5	15, -1.1
4. Accrued net income of farm operators from farm production	313 -6.0	313 0.0	315 0.6	347 10.1	3 -99.0	4 20.3	5 18.4	-1, -1.1
5. Net income of non-farm unincorporated business including rent	16,704 1.9	17,084 2.3	17,452 2.2	17,812 2.1	17,793 -0.1	18,082 1.6	18,335 1.4	18, 1.4
6. Inventory valuation adjustment	-2,303	-364	-1,402	-1,134	-2,663	-3,429	-2,238	-2, -2.1
7. Net Domestic Income at factor cost	213,131 0.6	216,913 1.8	216,494 -0.2	218,887 1.1	219,214 0.1	224,797 2.5	228,267 1.5	230, 1.5
8. Indirect taxes less subsidies	41,077 1.1	41,859 1.9	43,543 4.0	44,750 2.8	44,657 -0.2	44,112 -1.2	44,749 1.4	44, 1.4
9. Capital consumption allowances and miscellaneous valuation adjustments	31,235 3.1	32,053 2.6	33,154 3.4	33,768 1.9	34,100 1.0	34,354 0.7	34,946 1.7	35, 1.7
10. Gross Domestic Product at market prices	285,443 0.9	290,825 1.9	293,191 0.8	297,405 1.4	297,971 0.2	303,263 1.8	307,962 1.5	310, 1.5
*	3.7	7.8	3.3	5.9	0.8	7.3	6.3	3.

**Notes:** Per cent change from previous quarter at quarterly rates is given on the second line.

\* Annualized per cent change from previous quarter.

**Sources:** Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT, (INCOME BASED)**

(\$ millions, seasonally adjusted at annual rates)

TABLE 1

	1995								1996							
	I				II				III				IV			
	171,496	171,713	174,304	175,399	175,491	176,865	178,447	180,755	0.5	0.1	1.5	0.6	0.1	0.8	0.9	1.3
1. Wages, salaries and supplementary labour income ( <i>domestic basis</i> )																
2. Corporation profits before taxes	29,742	29,714	32,711	34,142	29,613	28,937	30,447	29,975	3.9	-0.1	10.1	4.4	-13.3	-2.3	5.2	-1.5
3. Interest and miscellaneous investment income	17,256	16,819	17,087	17,014	16,410	16,204	16,092	16,178	10.7	-2.5	1.6	-0.4	-3.6	-1.3	-0.7	0.5
4. Accrued net income of farm operators from farm production	22	187	485	653	167	377	552	100	470.1	736.0	159.4	34.6	-74.4	125.1	46.4	-81.8
5. Net income of non-farm unincorporated business including rent	18,763	19,045	19,350	19,702	19,999	20,507	20,920	21,314	1.5	1.5	1.6	1.8	1.5	2.5	2.0	1.9
6. Inventory valuation adjustment	-3,324	-1,040	-547	-141	709	-799	-1,706	-679								
7. Net Domestic Income at factor cost	233,955	236,438	243,390	246,769	242,389	242,091	244,752	247,643	1.4	1.1	2.9	1.4	-1.8	-0.1	1.1	1.2
8. Indirect taxes less subsidies	45,095	45,424	45,779	46,026	46,736	46,738	47,418	47,408	0.4	0.7	0.8	0.5	1.5	0.0	1.5	0.0
9. Capital consumption allowances and miscellaneous valuation adjustments	36,270	36,570	37,533	38,247	38,705	39,830	40,305	40,080	2.8	0.8	2.6	1.9	1.2	2.9	1.2	-0.6
10. Gross Domestic Product at market prices	315,320	318,432	326,702	331,042	327,830	328,659	332,475	335,131	1.4	1.0	2.6	1.3	-1.0	0.3	1.2	0.8
*	5.8	4.0	10.8	5.4	-3.8	1.0	4.7	3.2								

Notes: Per cent change from previous quarter at quarterly rates is given on the second line.

\* Annualized per cent change from previous quarter.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT, (INCOME BASED)**  
 (\$ millions, seasonally adjusted at annual rates)

TAB

	1997				1998		
	I	II	III	IV	I	II	III
1. Wages, salaries and supplementary labour income ( <i>domestic basis</i> )	182,865 1.2	184,813 1.1	186,168 0.7	186,551 0.2	190,913 2.3		
2. Corporation profits before taxes	33,144 10.6	33,718 1.7	35,823 6.2	36,269 1.2	36,342 0.2		
3. Interest and miscellaneous investment income	15,193 -6.1	14,336 -5.6	13,846 -3.4	13,398 -3.2	12,575 -6.1		
4. Accrued net income of farm operators from farm production	125 24.5	228 82.2	249 9.3	404 62.5	482 19.2		
5. Net income of non-farm unincorporated business including rent	21,712 1.9	22,220 2.3	22,704 2.2	22,996 1.3	23,338 1.5		
6. Inventory valuation adjustment	-279	-890	-1,072	-1,151	644		
7. Net Domestic Income at factor cost	252,760 2.1	254,425 0.7	257,718 1.3	258,467 0.3	264,294 2.3		
8. Indirect taxes less subsidies	47,609 0.4	48,990 2.9	50,241 2.6	51,439 2.4	51,858 0.8		
9. Capital consumption allowances and miscellaneous valuation adjustments	39,891 -0.5	41,401 3.8	42,183 1.9	42,362 0.4	42,247 -0.3		
10. Gross Domestic Product at market prices	340,260 1.5	344,816 1.3	350,142 1.5	352,268 0.6	358,399 1.7		
*	6.3	5.5	6.3	2.5	7.1		

**Notes:** Per cent change from previous quarter at quarterly rates is given on the second line.

\* Annualized per cent change from previous quarter.

**Sources:** Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

## ONTARIO GROSS DOMESTIC PRODUCT, (EXPENDITURE BASED)

(millions, seasonally adjusted at annual rates)

TABLE 2

	1993				1994			
	I	II	III	IV	I	II	III	IV
Personal expenditure on consumer goods and services:	168,556	169,054	169,623	170,727	172,613	174,185	175,737	178,860
0.3	0.3	0.3	0.7		1.1	0.9	0.9	1.8
Goods	77,414	76,815	76,247	76,324	77,395	77,922	78,722	80,841
-0.2	-0.8	-0.7	0.1		1.4	0.7	1.0	2.7
Services	91,142	92,239	93,376	94,403	95,218	96,263	97,015	98,019
0.8	1.2	1.2	1.1		0.9	1.1	0.8	1.0
Government expenditure on goods and services:	65,291	68,222	71,404	74,358	72,106	70,237	68,057	66,264
4.8	4.5	4.7	4.1		-3.0	-2.6	-3.1	-2.6
Current expenditure	59,009	61,900	65,020	67,919	65,465	63,268	60,669	58,337
5.4	4.9	5.0	4.5		-3.6	-3.4	-4.1	-3.8
Capital expenditure	6,282	6,322	6,384	6,439	6,641	6,969	7,388	7,927
0.0	0.6	1.0	0.9		3.1	4.9	6.0	7.3
Business gross fixed capital formation:	40,046	38,087	36,758	36,209	37,326	39,711	41,251	43,044
-5.8	-4.9	-3.5	-1.5		3.1	6.4	3.9	4.3
Residential construction	15,379	14,723	14,151	13,999	14,338	15,384	15,484	15,710
-8.3	-4.3	-3.9	-1.1		2.4	7.3	0.7	1.5
Non-residential construction	8,427	8,232	7,925	7,780	7,326	7,222	7,230	7,026
-3.1	-2.3	-3.7	-1.8		-5.8	-1.4	0.1	-2.8
Machinery and equipment	16,240	15,132	14,682	14,430	15,662	17,105	18,537	20,308
-4.7	-6.8	-3.0	-1.7		8.5	9.2	8.4	9.6
Exports of goods and services	155,868	160,264	161,365	173,428	171,068	182,566	189,095	199,618
1.3	2.8	0.7	7.5		-1.4	6.7	3.6	5.6
DEDUCT: Imports of goods and services	142,113	144,398	145,019	157,565	155,857	164,093	167,393	177,293
2.2	1.6	0.4	8.7		-1.1	5.3	2.0	5.9
Value of physical change in inventories:	-3,244	-1,388	-1,856	-303	824	42	691	-236
Non-farm	-3,352	-1,540	-1,893	-363	767	52	769	8
Farm and grain in commercial channels	108	152	37	60	57	-10	-78	-244
Statistical discrepancy	1,039	984	916	551	-109	615	524	639
Gross Domestic Product at market prices	285,443	290,825	293,191	297,405	297,971	303,263	307,962	310,896
0.9	1.9	0.8	1.4		0.2	1.8	1.5	1.0
Gross Domestic Product at 1992 prices	284,054	286,833	290,245	293,136	296,816	299,968	304,130	307,771
0.2	1.0	1.2	1.0		1.3	1.1	1.4	1.2
*	1.0	4.0	4.8	4.0	5.1	4.3	5.7	4.9

Notes: Per cent change from previous quarter at quarterly rates is given on the second line.

\* Annualized per cent change from previous quarter.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT, (EXPENDITURE BASED)**  
 (\$ millions, seasonally adjusted at annual rates)

TABLE

	1995				1996			
	I	II	III	IV	I	II	III	IV
1. Personal expenditure on consumer goods and services:	180,022	180,835	183,032	182,174	184,887	186,556	188,644	192,124
	0.6	0.5	1.2	-0.5	1.5	0.9	1.1	
2. Goods	81,315	80,880	81,420	79,550	80,970	82,198	83,219	85,124
	0.6	-0.5	0.7	-2.3	1.8	1.5	1.2	
3. Services	98,707	99,955	101,612	102,624	103,917	104,358	105,425	106,124
	0.7	1.3	1.7	1.0	1.3	0.4	1.0	
4. Government expenditure on goods and services:	68,065	69,521	70,370	72,027	69,594	68,954	66,684	65,124
	2.7	2.1	1.2	2.4	-3.4	-0.9	-3.3	
5. Current expenditure	60,270	61,925	62,688	64,361	62,103	61,886	60,058	59,124
	3.3	2.7	1.2	2.7	-3.5	-0.4	-3.0	
6. Capital expenditure	7,795	7,596	7,682	7,666	7,490	7,068	6,626	6,124
	-1.7	-2.6	1.1	-0.2	-2.3	-5.6	-6.3	
7. Business gross fixed capital formation:	41,069	41,346	39,316	38,893	40,933	42,577	45,511	48,124
	-4.6	0.7	-4.9	-1.1	5.2	4.0	6.9	
8. Residential construction	13,688	13,319	13,365	13,136	13,275	14,408	15,403	16,124
	-12.9	-2.7	0.3	-1.7	1.1	8.5	6.9	
9. Non-residential construction	7,140	7,026	7,096	7,262	7,912	8,525	8,926	9,124
	1.6	-1.6	1.0	2.3	8.9	7.8	4.7	
10. Machinery and equipment	20,241	21,001	18,855	18,495	19,745	19,644	21,182	22,124
	-0.3	3.8	-10.2	-1.9	6.8	-0.5	7.8	
11. Exports of goods and services	205,432	199,580	203,087	214,888	216,339	219,548	220,652	211,124
	2.9	-2.8	1.8	5.8	0.7	1.5	0.5	
12. DEDUCT: Imports of goods and services	184,093	177,713	172,524	179,225	182,519	186,220	187,826	185,124
	3.8	-3.5	-2.9	3.9	1.8	2.0	0.9	
13. Value of physical change in inventories:	4,723	4,882	3,422	2,477	-489	-1,265	-436	2,124
14. Non-farm	4,774	4,775	3,295	2,489	-398	-1,234	-404	2,124
15. Farm and grain in commercial channels	-51	107	127	-12	-91	-31	-32	-
16. Statistical discrepancy	102	-19	-1	-192	-915	-1491	-754	-
17. Gross Domestic Product at market prices	315,320	318,432	326,702	331,042	327,830	328,659	332,475	335,124
	1.4	1.0	2.6	1.3	-1.0	0.3	1.2	
18. Gross Domestic Product at 1992 prices	307,300	307,858	314,466	319,037	314,550	314,553	316,473	316,124
	-0.2	0.2	2.1	1.5	-1.4	0.0	0.6	
*	-0.6	0.7	8.9	5.9	-5.5	0.0	2.5	

Notes: Per cent change from previous quarter at quarterly rates is given on the second line.

\* Annualized per cent change from previous quarter.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT, (EXPENDITURE BASED)**

(\$ millions, seasonally adjusted at annual rates)

TABLE 2

	1997				1998			
	I	II	III	IV	I	II	III	IV
	194,233	197,789	201,885	204,329	206,793			
Personal expenditure on consumer goods and services:	1.1	1.8	2.1	1.2	1.2			
Goods	86,013	87,607	89,782	90,946	91,759			
	0.5	1.9	2.5	1.3	0.9			
Services	108,220	110,182	112,103	113,383	115,034			
	1.5	1.8	1.7	1.1	1.5			
Government expenditure on goods and services:	65,757	66,222	67,869	67,840	68,881			
	-0.2	0.7	2.5	0.0	1.5			
Current expenditure	59,600	60,191	62,001	62,167	63,046			
	0.3	1.0	3.0	0.3	1.4			
Capital expenditure	6,157	6,031	5,868	5,673	5,835			
	-4.9	-2.0	-2.7	-3.3	2.8			
Business gross fixed capital formation:	49,663	51,555	53,680	54,754	54,592			
	1.8	3.8	4.1	2.0	-0.3			
Residential construction	16,796	18,312	18,640	19,436	20,784			
	-0.4	9.0	1.8	4.3	6.9			
Non-residential construction	9,388	9,434	9,495	9,434	9,490			
	0.1	0.5	0.6	-0.6	0.6			
Machinery and equipment	23,479	23,809	25,545	25,884	24,318			
	4.2	1.4	7.3	1.3	-6.1			
Exports of goods and services	228,618	233,676	238,184	245,532	249,652			
	8.0	2.2	1.9	3.1	1.7			
DEDUCT: Imports of goods and services	197,439	207,490	214,957	224,728	225,456			
	6.6	5.1	3.6	4.5	0.3			
Value of physical change in inventories:	-380	3,386	3,858	5,020	4,521			
Non-farm	-330	3,608	4,138	5,179	4,598			
Farm and grain in commercial channels	-50	-222	-280	-159	-77			
Statistical discrepancy	-192	-322	-377	-479	-584			
Gross Domestic Product at market prices	340,260	344,816	350,142	352,268	358,399			
	1.5	1.3	1.5	0.6	1.7			
Gross Domestic Product at 1992 prices	322,320	327,276	332,876	335,340	340,296			
	1.7	1.5	1.7	0.7	1.5			
*	7.0	6.3	7.0	3.0	6.0			

tes: Per cent change from previous quarter at quarterly rates is given on the second line.

\* Annualized per cent change from previous quarter.

ources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT AT 1992 PRICES**

(\$ millions, seasonally adjusted at annual rates)

TABLE

	1993				1994		
	I	II	III	IV	I	II	III
	166,263	165,705	164,866	164,685	167,446	169,553	170,693
1. Personal expenditure on consumer goods and services	-0.3	-0.3	-0.5	-0.1	1.7	1.3	0.7
2. Goods	76,766	75,979	74,752	74,173	76,364	77,961	78,762
	-0.7	-1.0	-1.6	-0.8	3.0	2.1	1.0
3. Services	89,497	89,726	90,114	90,512	91,082	91,592	91,931
	0.0	0.3	0.4	0.4	0.6	0.6	0.4
4. Government expenditure on goods and services:	64,984	67,731	70,560	73,527	71,505	69,936	68,116
	4.4	4.2	4.2	4.2	-2.8	-2.2	-2.6
5. Current expenditure	58,639	61,409	64,226	67,114	64,881	63,016	60,830
	5.1	4.7	4.6	4.5	-3.3	-2.9	-3.5
6. Capital expenditure	6,345	6,322	6,334	6,413	6,624	6,920	7,286
	-1.5	-0.4	0.2	1.3	3.3	4.5	5.3
7. Business gross fixed capital formation:	40,233	37,869	35,825	34,738	35,699	38,081	39,891
	-6.8	-5.9	-5.4	-3.0	2.8	6.7	4.8
8. Residential construction	15,333	14,631	13,914	13,698	13,947	14,893	14,980
	-9.0	-4.6	-4.9	-1.6	1.8	6.8	0.6
9. Non-residential construction	8,295	8,106	7,739	7,561	7,018	6,820	6,773
	-4.6	-2.3	-4.5	-2.3	-7.2	-2.8	-0.7
10. Machinery and equipment	16,605	15,132	14,172	13,479	14,734	16,368	18,138
	-5.8	-8.9	-6.3	-4.9	9.3	11.1	10.8
11. Exports of goods and services	153,037	157,044	157,188	168,549	165,683	169,199	174,764
	0.7	2.6	0.1	7.2	-1.7	2.1	3.3
12. DEDUCT: Imports of goods and services	137,440	138,711	137,798	149,068	145,389	147,699	150,398
	1.8	0.9	-0.7	8.2	-2.5	1.6	1.8
13. Value of physical change in inventories:	-3,557	-2,860	-1,573	-954	907	461	959
14. Non-farm	-3,085	-2,189	-1,003	-461	956	394	865
15. Farm and grain in commercial channels	-472	-671	-570	-493	-49	67	94
16. Statistical discrepancy	534	55	1,177	1,668	965	437	105
17. Gross Domestic Product at 1992 prices	284,054	286,833	290,245	293,136	296,816	299,968	304,130
	0.2	1.0	1.2	1.0	1.3	1.1	1.4
*	1.0	4.0	4.8	4.0	5.1	4.3	5.7
18. Final domestic demand	271,480	271,305	271,252	272,950	274,649	277,570	278,700
	-0.3	-0.1	0.0	0.6	0.6	1.1	0.4

Notes: Per cent change from previous quarter at quarterly rates is given on the second line.

\* Annualized per cent change from previous quarter.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

## ONTARIO GROSS DOMESTIC PRODUCT AT 1992 PRICES

\$ millions, seasonally adjusted at annual rates)

TABLE 3

	1995				1996			
	I	II	III	IV	I	II	III	IV
1. Personal expenditure on consumer goods and services	173,647	173,278	174,536	173,532	175,544	176,410	177,747	180,124
	-0.1	-0.2	0.7	-0.6	1.2	0.5	0.8	1.3
2. Goods	80,791	79,950	80,216	78,684	79,812	80,626	81,468	83,309
	-0.2	-1.0	0.3	-1.9	1.4	1.0	1.0	2.3
3. Services	92,856	93,328	94,320	94,848	95,732	95,784	96,279	96,815
	-0.1	0.5	1.1	0.6	0.9	0.1	0.5	0.6
4. Government expenditure on goods and services:	67,761	68,741	69,829	71,551	69,383	68,673	66,565	65,709
	1.9	1.4	1.6	2.5	-3.0	-1.0	-3.1	-1.3
5. Current expenditure	60,170	61,373	62,376	64,041	62,011	61,730	59,998	59,282
	2.5	2.0	1.6	2.7	-3.2	-0.5	-2.8	-1.2
6. Capital expenditure	7,591	7,368	7,453	7,510	7,372	6,943	6,567	6,427
	-2.6	-2.9	1.2	0.8	-1.8	-5.8	-5.4	-2.1
7. Business gross fixed capital formation:	39,741	39,338	37,194	36,978	38,886	40,641	43,582	46,869
	-5.3	-1.0	-5.5	-0.6	5.2	4.5	7.2	7.5
8. Residential construction	13,216	12,794	12,597	12,510	12,686	13,808	14,775	16,136
	-12.3	-3.2	-1.5	-0.7	1.4	8.8	7.0	9.2
9. Non-residential construction	6,648	6,543	6,571	6,718	7,305	7,872	8,242	8,733
	1.3	-1.6	0.4	2.2	8.7	7.8	4.7	6.0
10. Machinery and equipment	19,877	20,001	18,026	17,750	18,895	18,961	20,565	22,000
	-2.3	0.6	-9.9	-1.5	6.5	0.3	8.5	7.0
11. Exports of goods and services	185,922	179,156	183,457	193,071	192,861	196,551	197,363	189,156
	0.7	-3.6	2.4	5.2	-0.1	1.9	0.4	-4.2
12. DEDUCT: Imports of goods and services	163,638	156,852	153,083	158,256	160,972	165,235	168,001	166,351
	2.6	-4.1	-2.4	3.4	1.7	2.6	1.7	-1.0
13. Value of physical change in inventories:	3,401	4,693	2,648	2,123	151	-1,927	241	1,804
14. Non-farm	3,376	4,644	2,600	2,148	189	-1,895	166	1,639
15. Farm and grain in commercial channels	25	49	48	-25	-38	-32	75	165
16. Statistical discrepancy	466	-496	-115	38	-1,303	-560	-1,024	-429
17. Gross Domestic Product at 1992 prices	307,300	307,858	314,466	319,037	314,550	314,553	316,473	316,882
	-0.2	0.2	2.1	1.5	-1.4	0.0	0.6	0.1
*	-0.6	0.7	8.9	5.9	-5.5	0.0	2.5	0.5
18. Final domestic demand	281,149	281,356	281,559	282,061	283,813	285,724	287,895	292,702
	-0.4	0.1	0.1	0.2	0.6	0.7	0.8	1.7

Notes: Per cent change from previous quarter at quarterly rates is given on the second line.

\* Annualized per cent change from previous quarter.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

## Ontario Economic Accounts, Quarterly Data

## ONTARIO GROSS DOMESTIC PRODUCT AT 1992 PRICES

(\$ millions, seasonally adjusted at annual rates)

TABLE

	1997				1998		
	I	II	III	IV	I	II	III
1. Personal expenditure on consumer goods and services	181,066 0.5	183,842 1.5	187,472 2.0	189,168 0.9	191,594 1.3		
2. Goods	83,305 0.0	84,579 1.5	86,204 1.9	87,113 1.1	88,145 1.2		
3. Services	97,761 1.0	99,263 1.5	101,268 2.0	102,055 0.8	103,449 1.4		
4. Government expenditure on goods and services:	65,477 -0.4	66,277 1.2	67,716 2.2	67,778 0.1	68,915 1.7		
5. Current expenditure	59,363 0.1	60,250 1.5	61,877 2.7	62,167 0.5	63,109 1.5		
6. Capital expenditure	6,114 -4.9	6,027 -1.4	5,839 -3.1	5,611 -3.9	5,806 3.5		
7. Business gross fixed capital formation:	47,582 1.5	48,740 2.4	50,742 4.1	51,280 1.1	51,362 0.2		
8. Residential construction	15,951 -1.1	17,130 7.4	17,356 1.3	17,930 3.3	19,033 6.2		
9. Non-residential construction	8,669 -0.7	8,640 -0.3	8,679 0.5	8,545 -1.5	8,557 0.1		
10. Machinery and equipment	22,962 4.4	22,970 0.0	24,707 7.6	24,805 0.4	23,772 -4.2		
11. Exports of goods and services	206,334 9.1	209,952 1.8	216,945 3.3	222,603 2.6	226,544 1.8		
12. DEDUCT: Imports of goods and services	177,873 6.9	183,986 3.4	192,960 4.9	198,786 3.0	201,300 1.3		
13. Value of physical change in inventories:	-215	2,590	3,051	4,154	3,907		
14. Non-farm	-114	2,739	3,281	4,298	3,984		
15. Farm and grain in commercial channels	-101	-149	-230	-144	-77		
16. Statistical discrepancy	-51	-139	-90	-857	-726		
17. Gross Domestic Product at 1992 prices	322,320 1.7	327,276 1.5	332,876 1.7	335,340 0.7	340,296 1.5		
*	7.0	6.3	7.0	3.0	6.0		
18. Final domestic demand	294,124 0.5	298,859 1.6	305,931 2.4	308,226 0.8	311,870 1.2		

Notes: Per cent change from previous quarter at quarterly rates is given on the second line.

\* Annualized per cent change from previous quarter.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**SOURCES AND DISPOSITION OF ONTARIO PERSONAL INCOME**

(\$ millions, seasonally adjusted at annual rates)

TABLE 4

	1993				1994			
	I	II	III	IV	I	II	III	IV
1. Wages, salaries and supplementary labour income ( <i>national basis</i> )	162,224 0.0	162,507 0.2	162,038 -0.3	161,047 -0.6	160,812 -0.1	164,281 2.2	166,123 1.1	168,534 1.5
2. Net income of farm operators from farm production	327 3.0	325 -0.5	320 -1.7	317 -0.9	4 -98.7	3 -14.1	4 22.8	4 -2.3
3. Net income of non-farm unincorporated business including rent	16,704 1.9	17,084 2.3	17,452 2.2	17,812 2.1	17,793 -0.1	18,082 1.6	18,335 1.4	18,478 0.8
4. Interest, dividends and miscellaneous investment income	38,637 -4.6	36,243 -6.2	34,944 -3.6	33,147 -5.1	33,398 0.8	34,507 3.3	35,930 4.1	36,949 2.8
5. Current transfers from government, corporations and non-residents	41,623 -2.4	40,297 -3.2	38,612 -4.2	37,280 -3.4	38,166 2.4	39,306 3.0	40,303 2.5	41,453 2.9
6. Equals: Personal income	259,515 -1.0	256,456 -1.2	253,366 -1.2	249,603 -1.5	250,173 0.2	256,179 2.4	260,695 1.8	265,418 1.8
7. Deduct: Personal direct taxes	43,755 -7.4	39,514 -9.7	39,247 -0.7	38,656 -1.5	37,924 -1.9	40,135 5.8	42,433 5.7	44,549 5.0
8. Other current transfers to government	16,087 -20.6	15,311 -4.8	17,552 14.6	17,714 0.9	19,457 9.8	18,884 -2.9	17,231 -8.8	14,932 -13.3
9. Equals: Personal disposable income	199,673 2.6	201,631 1.0	196,567 -2.5	193,233 -1.7	192,792 -0.2	197,160 2.3	201,031 2.0	205,937 2.4
10. Deduct: Personal expenditure on consumer goods and services	168,556 0.3	169,054 0.3	169,623 0.3	170,727 0.7	172,613 1.1	174,185 0.9	175,737 0.9	178,860 1.8
11. Current transfers to corporations	2,365 15.7	2,565 8.5	2,706 5.5	3,120 15.3	2,712 -13.1	2,617 -3.5	3,050 16.5	2,892 -5.2
12. Current transfers to non-residents	331 8.5	351 6.1	370 5.5	392 6.0	403 2.7	393 -2.5	387 -1.5	377 -2.6
13. Equals: Personal saving	28,421 17.3	29,661 4.4	23,868 -19.5	18,994 -20.4	17,064 -10.2	19,965 17.0	21,857 9.5	23,808 8.9
14. Personal savings rate	14.2	14.7	12.1	9.8	8.9	10.1	10.9	11.6

ote: Per cent change from previous quarter at quarterly rates is given on the second line.

ources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

## Ontario Economic Accounts, Quarterly Data

**SOURCES AND DISPOSITION OF ONTARIO PERSONAL INCOME**

(\$ millions, seasonally adjusted at annual rates)

TABLE

	1995				1996			
	I	II	III	IV	I	II	III	IV
1. Wages, salaries and supplementary labour income (national basis)	169,200 0.4	169,215 0.0	171,667 1.4	172,545 0.5	172,496 0.0	173,943 0.8	175,589 0.9	178,
2. Net income of farm operators from farm production	187 4365.1	388 107.8	384 -1.1	389 1.4	232 -40.3	344 48.1	385 12.0	-
3. Net income of non-farm unincorporated business including rent	18,763 1.5	19,045 1.5	19,350 1.6	19,702 1.8	19,999 1.5	20,507 2.5	20,920 2.0	21,
4. Interest, dividends and miscellaneous investment income	37,679 2.0	38,429 2.0	38,635 0.5	38,437 -0.5	38,110 -0.9	38,054 -0.1	38,046 0.0	37,
5. Current transfers from government, corporations and non-residents	41,028 -1.0	39,937 -2.7	39,644 -0.7	38,700 -2.4	39,484 2.0	39,675 0.5	39,554 -0.3	40,
6. Equals: Personal income	266,857 0.5	267,014 0.1	269,680 1.0	269,773 0.0	270,321 0.2	272,523 0.8	274,494 0.7	277,
7. Deduct: Personal direct taxes	43,937 -1.4	43,884 -0.1	44,450 1.3	43,861 -1.3	45,675 4.1	47,989 5.1	48,781 1.7	50,
8. Other current transfers to government	17,486 17.1	17,926 2.5	19,601 9.3	19,163 -2.2	18,769 -2.1	18,624 -0.8	18,681 0.3	17,
9. Equals: Personal disposable income	205,434 -0.2	205,204 -0.1	205,629 0.2	206,749 0.5	205,877 -0.4	205,910 0.0	207,032 0.5	209,
10. Deduct: Personal expenditure on consumer goods and services	180,022 0.6	180,835 0.5	183,032 1.2	182,174 -0.5	184,887 1.5	186,556 0.9	188,644 1.1	192,
11. Current transfers to corporations	3,314 14.6	3,813 15.1	4,004 5.0	4,006 0.0	3,776 -5.7	3,597 -4.7	3,439 -4.4	3,
12. Current transfers to non-residents	396 5.0	401 1.3	408 1.7	415 1.7	423 2.1	420 -0.9	416 -0.7	-
13. Equals: Personal saving	21,702 -8.8	20,155 -7.1	18,185 -9.8	20,154 10.8	16,791 -16.7	15,337 -8.7	14,533 -5.2	13,
14. Personal savings rate	10.6	9.8	8.8	9.7	8.2	7.4	7.0	-

Note: Per cent change from previous quarter at quarterly rates is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**SOURCES AND DISPOSITION OF ONTARIO PERSONAL INCOME**

(\$ millions, seasonally adjusted at annual rates)

TABLE 4

	1997				1998			
	I	II	III	IV	I	II	III	IV
1. Wages, salaries and supplementary labour income ( <i>national basis</i> )	180,144 1.2	182,064 1.1	183,399 0.7	183,776 0.2	188,073 2.3			
2. Net income of farm operators from farm production	36 -84.8	59 65.5	70 19.1	82 17.3	-91 -211.1			
3. Net income of non-farm unincorporated business including rent	21,712 1.9	22,220 2.3	22,704 2.2	22,996 1.3	23,338 1.5			
4. Interest, dividends and miscellaneous investment income	36,934 -2.6	36,043 -2.4	36,100 0.2	36,275 0.5	36,707 1.2			
5. Current transfers from government, corporations and non-residents	39,652 -1.1	40,066 1.0	39,595 -1.2	39,156 -1.1	40,969 4.6			
6. Equals: Personal income	278,478 0.3	280,452 0.7	281,868 0.5	282,285 0.1	288,996 2.4			
7. Deduct: Personal direct taxes	50,667 0.9	51,229 1.1	51,423 0.4	51,891 0.9	52,048 0.3			
8. Other current transfers to government	17,991 0.7	19,147 6.4	19,868 3.8	20,443 2.9	20,969 2.6			
9. Equals: Personal disposable income	209,820 0.1	210,076 0.1	210,577 0.2	209,951 -0.3	215,979 2.9			
10. Deduct: Personal expenditure on consumer goods and services	194,233 1.1	197,789 1.8	201,885 2.1	204,329 1.2	206,793 1.2			
11. Current transfers to corporations	2,809 -15.6	2,701 -3.8	2,793 3.4	3,043 9.0	3,233 6.3			
12. Current transfers to non-residents	425 3.1	434 2.1	443 1.9	454 2.5	472 4.1			
13. Equals: Personal saving	12,353 -9.2	9,152 -25.9	5,456 -40.4	2,125 -61.1	5,481 157.9			
14. Personal savings rate	5.9	4.4	2.6	1.0	2.5			

Note: Per cent change from previous quarter at quarterly rates is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

*Ontario Economic Accounts, Quarterly Data***ONTARIO TRADE**

(\$ millions, seasonally adjusted at annual rates)

TABLE 5

	1993				1994			
	I	II	III	IV	I	II	III	IV
1. Exports of Goods and Services	155,868	160,264	161,365	173,428	171,068	182,566	189,095	199,618
	1.3	2.8	0.7	7.5	-1.4	6.7	3.6	5.6
2. Of Which: International	101,768	106,180	106,570	117,779	115,637	125,407	129,968	139,408
	3.0	4.3	0.4	10.5	-1.8	8.4	3.6	7.3
3. Goods	88,858	92,494	92,049	102,202	99,990	109,075	113,688	122,620
	3.0	4.1	-0.5	11.0	-2.2	9.1	4.2	7.9
4. Services	12,910	13,686	14,521	15,577	15,647	16,332	16,280	16,788
	2.5	6.0	6.1	7.3	0.4	4.4	-0.3	3.1
5. Of Which: Interprovincial goods and services	54,100	54,084	54,795	55,649	55,431	57,159	59,127	60,210
	-1.6	0.0	1.3	1.6	-0.4	3.1	3.4	1.8
6. Imports of Goods and Services	142,113	144,398	145,019	157,555	155,857	164,093	167,393	177,293
	2.2	1.6	0.4	8.7	-1.1	5.3	2.0	5.9
7. Trade Balance	13,755	15,866	16,346	15,863	15,211	18,473	21,702	22,325

Note: Per cent change from previous quarter at quarterly rates is given on the second line.

Source: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO TRADE**  
*( $\$$  millions, seasonally adjusted at annual rates)*

TABLE 5

	1995				1996			
	I	II	III	IV	I	II	III	IV
1. Exports of Goods and Services	205,432	199,580	203,087	214,888	216,339	219,548	220,652	211,666
	2.9	-2.8	1.8	5.8	0.7	1.5	0.5	-4.1
2. Of Which: International	145,838	140,716	142,972	153,748	154,990	157,533	157,103	147,017
	4.6	-3.5	1.6	7.5	0.8	1.6	-0.3	-6.4
3. Goods	128,348	123,163	125,061	134,006	135,279	137,725	137,536	126,250
	4.7	-4.0	1.5	7.2	0.9	1.8	-0.1	-8.2
4. Services	17,490	17,553	17,911	19,742	19,711	19,808	19,567	20,767
	4.2	0.4	2.0	10.2	-0.2	0.5	-1.2	6.1
5. Of Which: Interprovincial goods and services	59,594	58,864	60,115	61,140	61,349	62,015	63,549	64,649
	-1.0	-1.2	2.1	1.7	0.3	1.1	2.5	1.7
6. Imports of Goods and Services	184,093	177,713	172,524	179,225	182,519	186,220	187,826	185,149
	3.8	-3.5	-2.9	3.9	1.8	2.0	0.9	-1.4
7. Trade Balance	21,339	21,867	30,563	35,663	33,820	33,328	32,826	26,517

Note: Per cent change from previous quarter at quarterly rates is given on the second line.

Source: Office of Economic Policy, Ontario Ministry of Finance and Statistics, Canada

## Ontario Economic Accounts, Quarterly Data

**ONTARIO TRADE**  
 (\$ millions, seasonally adjusted at annual rates)

TABLE 5

	1997				1998			
	I	II	III	IV	I	II	III	IV
1. Exports of Goods and Services								
8.0	228,618	233,676	238,184	245,532	249,652			
2. Of Which: International								
10.7	162,759	166,902	169,857	176,864	181,176			
3. Goods								
12.3	141,766	145,209	148,207	154,744	159,896			
4. Services								
1.1	20,983	21,693	21,650	22,120	21,480			
5. Of Which: Interprovincial goods and services								
1.9	65,859	66,774	68,327	68,668	68,476			
6. Imports of Goods and Services								
6.6	197,439	207,490	214,957	224,728	225,456			
7. Trade Balance								
	31,179	26,186	23,227	20,804	24,196			

Note: Per cent change from previous quarter at quarterly rates is given on the second line.  
 Source: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO DEFLATORS**  
*(1992 = 100)*
**TABLE 6**

	1993				1994			
	I	II	III	IV	I	II	III	IV
1. Personal expenditure on consumer goods and services:	101.4 0.6	102.0 0.6	102.9 0.8	103.7 0.8	103.1 -0.6	102.7 -0.3	103.0 0.2	102.9 -0.1
2. Goods	100.8 0.4	101.1 0.3	102.0 0.9	102.9 0.9	101.4 -1.5	100.0 -1.4	100.0 0.0	99.9 -0.1
3. Services	101.8 0.8	102.8 0.9	103.6 0.8	104.3 0.7	104.5 0.2	105.1 0.5	105.5 0.4	105.5 0.0
4. Government expenditure on goods and services:	100.5 0.4	100.7 0.3	101.2 0.5	101.1 -0.1	100.8 -0.3	100.4 -0.4	99.9 -0.5	99.7 -0.2
5. Current expenditure	100.6 0.3	100.8 0.2	101.2 0.4	101.2 0.0	100.9 -0.3	100.4 -0.5	99.7 -0.7	99.4 -0.3
6. Capital expenditure	99.0 1.5	100.0 1.0	100.8 0.8	100.4 -0.4	100.3 -0.1	100.7 0.4	101.4 0.7	101.7 0.3
7. Business gross fixed capital formation:	99.5 1.1	100.6 1.0	102.6 2.0	104.2 1.6	104.6 0.3	104.3 -0.3	103.4 -0.8	102.5 -0.8
8. Residential construction	100.3 0.8	100.6 0.3	101.7 1.1	102.2 0.5	102.8 0.6	103.3 0.5	103.4 0.1	104.2 0.8
9. Non-residential construction	101.6 1.6	101.6 0.0	102.4 0.8	102.9 0.5	104.4 1.5	105.9 1.4	106.8 0.8	107.1 0.3
10. Machinery and equipment	97.8 1.2	100.0 2.2	103.6 3.6	107.1 3.3	106.3 -0.7	104.5 -1.7	102.2 -2.2	99.9 -2.3
1. Exports of goods and services	101.9 0.6	102.1 0.2	102.7 0.6	102.9 0.2	103.3 0.3	107.9 4.5	108.2 0.3	108.1 -0.1
2. DEDUCT: Imports of goods and services	103.4 0.4	104.1 0.7	105.2 1.1	105.7 0.4	107.2 1.4	111.1 3.6	111.3 0.2	111.2 -0.1
3. Gross Domestic Product at market prices	100.5 0.7	101.4 0.9	101.0 -0.4	101.5 0.4	100.4 -1.1	101.1 0.7	101.3 0.2	101.0 -0.2
4. Final domestic demand	* 2.7	101.5 3.6	102.4 -1.5	103.1 1.8	102.7 -4.1	102.4 2.9	102.3 0.6	102.1 -1.0

otes: Per cent change from previous quarter at quarterly rates is given on the second line.

\* Annualized per cent change from previous quarter.

ources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO DEFLATORS**

(1992 = 100)

TABLE

	1995				1996		
	I	II	III	IV	I	II	III
1. Personal expenditure on consumer goods and services:	103.7 0.8	104.4 0.7	104.9 0.5	105.0 0.1	105.3 0.3	105.8 0.4	106.1 0.4
2. Goods	100.7 0.8	101.2 0.5	101.5 0.3	101.1 -0.4	101.5 0.3	102.0 0.5	102.2 0.2
3. Services	106.3 0.8	107.1 0.8	107.7 0.6	108.2 0.4	108.6 0.3	109.0 0.4	109.5 0.5
4. Government expenditure on goods and services:	100.4 0.8	101.1 0.7	100.8 -0.4	100.7 -0.1	100.3 -0.4	100.4 0.1	100.2 -0.2
5. Current expenditure	100.2 0.8	100.9 0.7	100.5 -0.4	100.5 0.0	100.2 -0.3	100.3 0.1	100.1 -0.2
6. Capital expenditure	102.7 1.0	103.1 0.4	103.1 0.0	102.1 -1.0	101.6 -0.5	101.8 0.2	100.9 -0.9
7. Business gross fixed capital formation:	103.3 0.8	105.1 1.7	105.7 0.6	105.2 -0.5	105.3 0.1	104.8 -0.5	104.4 -0.3
8. Residential construction	103.6 -0.6	104.1 0.5	106.1 1.9	105.0 -1.0	104.7 -0.3	104.4 -0.3	104.3 -0.1
9. Non-residential construction	107.4 0.3	107.4 0.0	108.0 0.6	108.1 0.1	108.3 0.2	108.3 0.0	108.3 0.0
10. Machinery and equipment	101.8 2.0	105.0 3.1	104.6 -0.4	104.2 -0.4	104.5 0.3	103.6 -0.9	103.0 -0.6
11. Exports of goods and services	110.5 2.2	111.4 0.8	110.7 -0.6	111.3 0.5	112.2 0.8	111.7 -0.4	111.8 0.1
12. DEDUCT: Imports of goods and services	112.5 1.2	113.3 0.7	112.7 -0.5	113.3 0.5	113.4 0.1	112.7 -0.6	111.8 -0.8
13. Gross Domestic Product at market prices	102.6 1.6	103.4 0.8	103.9 0.4	103.8 -0.1	104.2 0.4	104.5 0.3	105.1 0.5
*	6.5	3.3	1.8	-0.5	1.8	1.0	2.2
14. Final domestic demand	102.8 0.8	103.7 0.8	104.0 0.3	103.9 0.0	104.1 0.2	104.3 0.2	104.5 0.2

Notes: Per cent change from previous quarter at quarterly rates is given on the second line.

\* Annualized per cent change from previous quarter.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

## ONTARIO DEFLATATORS

1992 = 100)

TABLE 6

	1997				1998			
	I	II	III	IV	I	II	III	IV
. Personal expenditure on consumer goods and services:	107.3 0.5	107.6 0.3	107.7 0.1	108.0 0.3	107.9 -0.1			
. Goods	103.3 0.5	103.6 0.3	104.2 0.6	104.4 0.2	104.1 -0.3			
. Services	110.7 0.5	111.0 0.3	110.7 -0.3	111.1 0.4	111.2 0.1			
. Government expenditure on goods and services:	100.4 0.2	99.9 -0.5	100.2 0.3	100.1 -0.1	100.0 -0.1			
. Current expenditure	100.4 0.2	99.9 -0.5	100.2 0.3	100.0 -0.2	99.9 -0.1			
. Capital expenditure	100.7 0.0	100.1 -0.6	100.5 0.4	101.1 0.6	100.5 -0.6			
. Business gross fixed capital formation:	104.4 0.3	105.8 1.3	105.8 0.0	106.8 0.9	106.3 -0.5			
. Residential construction	105.3 0.8	106.9 1.5	107.4 0.5	108.4 0.9	109.2 0.7			
. Non-residential construction	108.3 0.9	109.2 0.8	109.4 0.2	110.4 0.9	110.9 0.5			
. Machinery and equipment	102.3 -0.1	103.7 1.4	103.4 -0.3	104.4 0.9	102.3 -2.0			
. Exports of goods and services	110.8 -1.0	111.3 0.5	109.8 -1.4	110.3 0.5	110.2 -0.1			
. DEDUCT: Imports of goods and services	111.0 -0.3	112.8 1.6	111.4 -1.2	113.1 1.5	112.0 -0.9			
. Gross Domestic Product at market prices	105.6 -0.2	105.4 -0.2	105.2 -0.2	105.0 -0.1	105.3 0.3			
* . Final domestic demand	* -0.7	* -0.8	* -0.7	* -0.5	1.0			
	105.3 0.4	105.6 0.3	105.7 0.1	106.1 0.3	105.9 -0.2			

Notes: Per cent change from previous quarter at quarterly rates is given on the second line.

\* Annualized per cent change from previous quarter.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

*Ontario Economic Accounts, Annual Data*
**ONTARIO GROSS DOMESTIC PRODUCT, (INCOME BASED)**  
**(*\$ millions*)**

TABLE 7

	1993	1994	1995	1996	1997
1. Wages, salaries and supplementary labour income ( <i>domestic basis</i> )	164,383 1.0	167,173 1.7	173,228 3.6	177,890 2.7	185,099 4.1
2. Corporation profits before taxes	17,843 23.1	25,933 45.3	31,577 21.8	29,743 -5.8	34,738 16.8
3. Interest and miscellaneous investment income	17,846 -9.5	17,205 -3.6	17,044 -0.9	16,221 -4.8	14,193 -12.5
4. Accrued net income of farm operators from farm production	322 47.7	4 -98.8	337 8325.0	299 -11.3	251 -15.9
5. Net income of non-farm unincorporated business including rent	17,263 6.8	18,172 5.3	19,215 5.7	20,685 7.7	22,408 8.3
6. Inventory valuation adjustment	-1,301	-2,738	-1,263	-619	-848
7. Net Domestic Income at factor cost	216,356 2.0	225,749 4.3	240,138 6.4	244,219 1.7	255,842 4.8
8. Indirect taxes less subsidies	42,807 2.9	44,603 4.2	45,581 2.2	47,075 3.3	49,570 5.3
9. Capital consumption allowances and miscellaneous valuation adjustments	32,553 3.2	34,671 6.5	37,155 7.2	39,730 6.9	41,459 4.4
10. Gross Domestic Product at market prices	291,716 2.2	305,023 4.6	322,874 5.9	331,024 2.5	346,871 4.8

Note: Percentage change from previous year is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT, (EXPENDITURE BASED)**  
 (\$ millions)
**TABLE 8**

	1993	1994	1995	1996	1997
<b>1. Personal expenditure on consumer goods and services:</b>	<b>169,490</b>	<b>175,349</b>	<b>181,516</b>	<b>188,071</b>	<b>199,559</b>
	4.1	3.5	3.5	3.6	6.1
<b>2. Goods</b>	<b>76,700</b>	<b>78,720</b>	<b>80,791</b>	<b>82,998</b>	<b>88,587</b>
	2.3	2.6	2.6	2.7	6.7
<b>3. Services</b>	<b>92,790</b>	<b>96,629</b>	<b>100,725</b>	<b>105,073</b>	<b>110,972</b>
	5.7	4.1	4.2	4.3	5.6
<b>4. Government expenditure on goods and services:</b>	<b>69,819</b>	<b>69,166</b>	<b>69,996</b>	<b>67,776</b>	<b>66,922</b>
	0.7	-0.9	1.2	-3.2	-1.3
<b>5. Current expenditure</b>	<b>63,462</b>	<b>61,935</b>	<b>62,311</b>	<b>60,862</b>	<b>60,990</b>
	2.0	-2.4	0.6	-2.3	0.2
<b>6. Capital expenditure</b>	<b>6,357</b>	<b>7,231</b>	<b>7,685</b>	<b>6,914</b>	<b>5,932</b>
	-10.5	13.8	6.3	-10.0	-14.2
<b>7. Business gross fixed capital formation:</b>	<b>37,775</b>	<b>40,333</b>	<b>40,156</b>	<b>44,447</b>	<b>52,414</b>
	-9.6	6.8	-0.4	10.7	17.9
<b>8. Residential construction</b>	<b>14,563</b>	<b>15,229</b>	<b>13,377</b>	<b>14,987</b>	<b>18,296</b>
	-8.3	4.6	-12.2	12.0	22.1
<b>9. Non-residential construction</b>	<b>8,091</b>	<b>7,201</b>	<b>7,131</b>	<b>8,685</b>	<b>9,438</b>
	-16.7	-11.0	-1.0	21.8	8.7
<b>10. Machinery and equipment</b>	<b>15,121</b>	<b>17,903</b>	<b>19,648</b>	<b>20,775</b>	<b>24,679</b>
	-6.5	18.4	9.7	5.7	18.8
<b>11. Exports of goods and services</b>	<b>162,731</b>	<b>185,586</b>	<b>205,747</b>	<b>217,051</b>	<b>236,502</b>
	11.5	14.0	10.9	5.5	9.0
<b>12. DEDUCT: Imports of goods and services</b>	<b>147,275</b>	<b>166,158</b>	<b>178,389</b>	<b>185,428</b>	<b>211,154</b>
	12.9	12.8	7.4	3.9	13.9
<b>13. Value of physical change in inventories:</b>	<b>-1,698</b>	<b>330</b>	<b>3,876</b>	<b>-41</b>	<b>2,971</b>
<b>14. Non-farm</b>	<b>-1,787</b>	<b>399</b>	<b>3,833</b>	<b>47</b>	<b>3,149</b>
<b>15. Farm and grain in commercial channels</b>	<b>89</b>	<b>-69</b>	<b>43</b>	<b>-88</b>	<b>-178</b>
<b>16. Statistical discrepancy</b>	<b>873</b>	<b>417</b>	<b>-28</b>	<b>-852</b>	<b>-343</b>
<b>17. Gross Domestic Product at market prices</b>	<b>291,716</b>	<b>305,023</b>	<b>322,874</b>	<b>331,024</b>	<b>346,871</b>
	2.2	4.6	5.9	2.5	4.8
<b>18. Gross Domestic Product at 1992 prices</b>	<b>288,567</b>	<b>302,172</b>	<b>312,163</b>	<b>315,615</b>	<b>329,454</b>
	1.1	4.7	3.3	1.1	4.4

Note: Percentage change from previous year is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT AT 1992 PRICES  
(\$ millions)**
**TABLE 9**

	<b>1993</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>
<b>1. Personal expenditure on consumer goods and services:</b>	<b>165,380</b>	<b>170,389</b>	<b>173,748</b>	<b>177,456</b>	<b>185,387</b>
	1.6	3.0	2.0	2.1	4.5
<b>2. Goods</b>	<b>75,418</b>	<b>78,510</b>	<b>79,910</b>	<b>81,304</b>	<b>85,300</b>
	0.5	4.1	1.8	1.7	4.9
<b>3. Services</b>	<b>89,962</b>	<b>91,879</b>	<b>93,838</b>	<b>96,152</b>	<b>100,087</b>
	2.5	2.1	2.1	2.5	4.1
<b>4. Government expenditure on goods and services:</b>	<b>69,201</b>	<b>69,010</b>	<b>69,470</b>	<b>67,583</b>	<b>66,812</b>
	-0.2	-0.3	0.7	-2.7	-1.1
<b>5. Current expenditure</b>	<b>62,847</b>	<b>61,854</b>	<b>61,990</b>	<b>60,755</b>	<b>60,914</b>
	1.0	-1.6	0.2	-2.0	0.3
<b>6. Capital expenditure</b>	<b>6,354</b>	<b>7,156</b>	<b>7,480</b>	<b>6,827</b>	<b>5,898</b>
	-10.5	12.6	4.5	-8.7	-13.6
<b>7. Business gross fixed capital formation:</b>	<b>37,166</b>	<b>38,912</b>	<b>38,312</b>	<b>42,495</b>	<b>49,586</b>
	-11.1	4.7	-1.5	10.9	16.7
<b>8. Residential construction</b>	<b>14,394</b>	<b>14,724</b>	<b>12,779</b>	<b>14,351</b>	<b>17,092</b>
	-9.4	2.3	-13.2	12.3	19.1
<b>9. Non-residential construction</b>	<b>7,925</b>	<b>6,793</b>	<b>6,620</b>	<b>8,038</b>	<b>8,633</b>
	-18.4	-14.3	-2.5	21.4	7.4
<b>10. Machinery and equipment</b>	<b>14,847</b>	<b>17,395</b>	<b>18,913</b>	<b>20,106</b>	<b>23,861</b>
	-8.3	17.2	8.7	6.3	18.7
<b>11. Exports of goods and services</b>	<b>158,952</b>	<b>173,573</b>	<b>185,401</b>	<b>193,983</b>	<b>213,959</b>
	8.9	9.2	6.8	4.6	10.3
<b>12. DEDUCT: Imports of goods and services</b>	<b>140,754</b>	<b>150,736</b>	<b>157,957</b>	<b>165,140</b>	<b>188,400</b>
	7.9	7.1	4.8	4.5	14.1
<b>13. Value of physical change in inventories:</b>	<b>-2,237</b>	<b>617</b>	<b>3,216</b>	<b>68</b>	<b>2,395</b>
<b>14. Non-farm</b>	<b>-1,685</b>	<b>563</b>	<b>3,192</b>	<b>25</b>	<b>2,551</b>
<b>15. Farm and grain in commercial channels</b>	<b>-552</b>	<b>54</b>	<b>24</b>	<b>43</b>	<b>-156</b>
<b>16. Statistical discrepancy</b>	<b>859</b>	<b>407</b>	<b>-27</b>	<b>-829</b>	<b>-285</b>
<b>17. Gross Domestic Product at 1992 prices</b>	<b>288,567</b>	<b>302,172</b>	<b>312,163</b>	<b>315,615</b>	<b>329,454</b>
	1.1	4.7	3.3	1.1	4.4
<b>18. Final domestic demand</b>	<b>271,748</b>	<b>278,312</b>	<b>281,520</b>	<b>287,534</b>	<b>301,785</b>
	-0.8	2.4	1.2	2.1	5.0

Notes: Percentage change from previous year is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**SOURCES AND DISPOSITION OF ONTARIO PERSONAL INCOME**  
**(\$ millions)**
**TABLE 10**

	1993	1994	1995	1996	1997
<b>1. Wages, salaries and supplementary labour income (<i>national basis</i>)</b>	<b>161,954</b> 0.9	<b>164,938</b> 1.8	<b>170,657</b> 3.5	<b>175,023</b> 2.6	<b>182,346</b> 4.2
<b>2. Net income of farm operators from farm production</b>	<b>322</b> 47.9	<b>4</b> -98.8	<b>337</b> 8325.0	<b>299</b> -11.3	<b>62</b> -79.4
<b>3. Net income of non-farm unincorporated business including rent</b>	<b>17,263</b> 6.8	<b>18,172</b> 5.3	<b>19,215</b> 5.7	<b>20,685</b> 7.7	<b>22,408</b> 8.3
<b>4. Interest, dividends and miscellaneous investment income</b>	<b>35,743</b> -5.5	<b>35,196</b> -1.5	<b>38,295</b> 8.8	<b>38,036</b> -0.7	<b>36,338</b> -4.5
<b>5. Current transfers from government, corporations and non-residents</b>	<b>39,453</b> 5.0	<b>39,807</b> 0.9	<b>39,827</b> 0.1	<b>39,699</b> -0.3	<b>39,617</b> -0.2
<b>6. Equals: Personal income</b>	<b>254,735</b> 1.0	<b>258,117</b> 1.3	<b>268,331</b> 4.0	<b>273,742</b> 2.0	<b>280,772</b> 2.6
<b>7. Deduct: Personal direct taxes</b>	<b>40,293</b> 0.2	<b>41,260</b> 2.4	<b>44,033</b> 6.7	<b>48,167</b> 9.4	<b>51,303</b> 6.5
<b>8. Other current transfers to government</b>	<b>16,666</b> 1.4	<b>17,626</b> 5.8	<b>18,544</b> 5.2	<b>18,484</b> -0.3	<b>19,362</b> 4.8
<b>9. Equals: Personal disposable income</b>	<b>197,776</b> 1.1	<b>199,231</b> 0.7	<b>205,754</b> 3.3	<b>207,091</b> 0.7	<b>210,107</b> 1.5
<b>10. Deduct: Personal expenditure on consumer goods and services</b>	<b>169,490</b> 4.1	<b>175,349</b> 3.5	<b>181,516</b> 3.5	<b>188,071</b> 3.6	<b>199,559</b> 6.1
<b>11. Current transfers to corporations</b>	<b>2,689</b> -18.0	<b>2,818</b> 4.8	<b>3,784</b> 34.3	<b>3,535</b> -6.6	<b>2,837</b> -19.8
<b>12. Current transfers to non-residents</b>	<b>361</b> 5.9	<b>390</b> 8.0	<b>405</b> 3.8	<b>418</b> 3.2	<b>439</b> 5.0
<b>13. Equals: Personal saving</b>	<b>25,236</b> -13.6	<b>20,674</b> -18.1	<b>20,049</b> -3.0	<b>15,067</b> -24.8	<b>7,272</b> -51.7
<b>14. Personal savings rate</b>	<b>12.8</b>	<b>10.4</b>	<b>9.7</b>	<b>7.3</b>	<b>3.5</b>

Note: Percentage change from previous year is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

*Ontario Economic Accounts, Annual Data***ONTARIO TRADE**  
(\$ millions)

TABLE 11

	1993	1994	1995	1996	1997
<b>1. Exports of Goods and Services</b>	<b>162,732</b>	<b>185,586</b>	<b>205,747</b>	<b>217,051</b>	<b>236,502</b>
	11.5	14.0	10.9	5.5	9.0
<b>2. Of Which: International</b>	<b>108,075</b>	<b>127,605</b>	<b>145,819</b>	<b>154,160</b>	<b>169,095</b>
	17.9	18.1	14.3	5.7	9.7
<b>3. Goods</b>	<b>93,901</b>	<b>111,343</b>	<b>127,645</b>	<b>134,197</b>	<b>147,481</b>
	18.3	18.6	14.6	5.1	9.9
<b>4. Services</b>	<b>14,174</b>	<b>16,262</b>	<b>18,174</b>	<b>19,963</b>	<b>21,614</b>
	15.3	14.7	11.8	9.8	8.3
<b>5. Of Which: Interprovincial goods and services</b>	<b>54,657</b>	<b>57,981</b>	<b>59,928</b>	<b>62,891</b>	<b>67,407</b>
	0.7	6.1	3.4	4.9	7.2
<b>6. Imports of Goods and Services</b>	<b>147,275</b>	<b>166,158</b>	<b>178,389</b>	<b>185,428</b>	<b>211,154</b>
	12.9	12.8	7.4	3.9	13.9
<b>7. Trade Balance</b>	<b>15,457</b>	<b>19,428</b>	<b>27,358</b>	<b>31,623</b>	<b>25,348</b>

Note: Percentage change from previous year is given on the second line.

Source: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO DEFLATORS**

(1992 = 100)

**TABLE 12**

	<b>1993</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>
<b>1. Personal expenditure on consumer goods and services:</b>	<b>102.5</b> 2.5	<b>102.9</b> 0.4	<b>104.5</b> 1.5	<b>106.0</b> 1.4	<b>107.6</b> 1.6
<b>2. Goods</b>	<b>101.7</b> 1.7	<b>100.3</b> -1.4	<b>101.1</b> 0.8	<b>102.1</b> 1.0	<b>103.8</b> 1.7
<b>3. Services</b>	<b>103.1</b> 3.2	<b>105.2</b> 2.0	<b>107.3</b> 2.1	<b>109.3</b> 1.8	<b>110.9</b> 1.5
<b>4. Government expenditure on goods and services:</b>	<b>100.9</b> 0.9	<b>100.2</b> -0.7	<b>100.8</b> 0.5	<b>100.3</b> -0.5	<b>100.2</b> -0.1
<b>5. Current expenditure</b>	<b>101.0</b> 0.9	<b>100.1</b> -0.8	<b>100.5</b> 0.4	<b>100.2</b> -0.3	<b>100.1</b> 0.0
<b>6. Capital expenditure</b>	<b>100.1</b> 0.1	<b>101.0</b> 1.0	<b>102.7</b> 1.7	<b>101.3</b> -1.5	<b>100.6</b> -0.7
<b>7. Business gross fixed capital formation:</b>	<b>101.7</b> 1.7	<b>103.7</b> 1.9	<b>104.8</b> 1.1	<b>104.6</b> -0.2	<b>105.7</b> 1.0
<b>8. Residential construction</b>	<b>101.2</b> 1.2	<b>103.4</b> 2.2	<b>104.7</b> 1.2	<b>104.4</b> -0.2	<b>107.0</b> 2.5
<b>9. Non-residential construction</b>	<b>102.1</b> 2.1	<b>106.0</b> 3.8	<b>107.7</b> 1.6	<b>108.1</b> 0.3	<b>109.3</b> 1.2
<b>10. Machinery and equipment</b>	<b>102.1</b> 2.1	<b>103.2</b> 1.1	<b>103.9</b> 0.7	<b>103.4</b> -0.5	<b>103.4</b> 0.0
<b>11. Exports of goods and services</b>	<b>102.4</b> 2.4	<b>106.9</b> 4.4	<b>111.0</b> 3.8	<b>111.9</b> 0.8	<b>110.5</b> -1.2
<b>12. DEDUCT: Imports of goods and services</b>	<b>104.6</b> 4.7	<b>110.2</b> 5.3	<b>112.9</b> 2.5	<b>112.3</b> -0.6	<b>112.1</b> -0.2
<b>13. Gross Domestic Product at market prices</b>	<b>101.1</b> 1.1	<b>100.9</b> -0.1	<b>103.4</b> 2.5	<b>104.9</b> 1.4	<b>105.3</b> 0.4
<b>14. Final domestic demand</b>	<b>102.0</b> 1.9	<b>102.4</b> 0.4	<b>103.6</b> 1.2	<b>104.4</b> 0.8	<b>105.7</b> 1.2

Note: Percentage change from previous year is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO PRODUCTION BY INDUSTRY, 1992\$**  
*(\$millions, seasonally adjusted at annual rates)*

TABLE 13

	1993				1994			
	I	II	III	IV	I	II	III	IV
1. Primary	6,040 5.1	5,945 -1.6	5,726 -3.7	5,616 -1.9	5,456 -2.9	5,806 6.4	5,938 2.3	6,172 3.9
2. Manufacturing	53,432 2.1	53,516 0.2	53,865 0.7	53,960 0.2	54,231 0.5	56,668 4.5	58,019 2.4	60,674 4.6
3. Construction	11,809 -3.0	11,279 -4.5	11,198 -0.7	11,385 1.7	11,364 -0.2	11,660 2.6	11,744 0.7	11,724 -0.2
4. Utilities	8,628 1.1	8,709 0.9	9,168 5.3	9,420 2.7	9,932 5.4	9,553 -3.8	9,177 -3.9	8,726 -4.9
5. Goods Producing Industries	79,908 1.4	79,449 -0.6	79,958 0.6	80,381 0.5	80,983 0.7	83,687 3.3	84,879 1.4	87,296 2.8
6. Transportation, Storage and Communication	15,781 -0.3	15,751 -0.2	15,894 0.9	15,856 -0.2	16,105 1.6	16,321 1.3	16,409 0.5	16,654 1.5
7. Wholesale & Retail Trade	26,845 -0.3	26,663 -0.7	26,877 0.8	27,519 2.4	28,040 1.9	28,800 2.7	29,448 2.3	30,429 3.3
8. Finance, Insurance and Real Estate	43,430 1.5	44,342 2.1	44,181 -0.4	44,645 1.1	45,082 1.0	45,314 0.5	45,316 0.0	45,278 -0.1
9. Community, Business and Personal Services	64,765 0.7	65,269 0.8	65,471 0.3	65,388 -0.1	65,404 0.0	66,040 1.0	66,706 1.0	66,897 0.3
10. Government Services	16,801 -0.3	16,712 -0.5	16,663 -0.3	16,778 0.7	16,842 0.4	16,941 0.6	16,998 0.3	16,974 -0.1
11. Services Producing Industries	167,621 0.5	168,738 0.7	169,086 0.2	170,186 0.7	171,473 0.8	173,417 1.1	174,878 0.8	176,231 0.8
12. Total Production (1992\$) at Factor Cost	247,529 0.8	248,187 0.3	249,044 0.3	250,567 0.6	252,455 0.8	257,104 1.8	259,757 1.0	263,527 1.5
*	3.3	1.1	1.4	2.5	3.0	7.6	4.2	5.9
13. Indirect Taxes Less Subsidies plus Miscellaneous Adjustments	36,525	38,646	41,201	42,570	44,360	42,864	44,374	44,244
14. Gross Domestic Product (1992\$) at Market Prices	284,054 0.2	286,833 1.0	290,245 1.2	293,136 1.0	296,816 1.3	299,968 1.1	304,130 1.4	307,771 1.2
*	1.0	4.0	4.8	4.0	5.1	4.3	5.7	4.9

Notes: Percentage change from previous quarter is given on second line.

\* Annualized per cent change from previous quarter

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO PRODUCTION BY INDUSTRY, 1992\$**

(\$millions, seasonally adjusted at annual rates)

**TABLE 13**

	1995				1996				
	I	II	III	IV	I	II	III	IV	
<b>1. Primary</b>	5,899 -4.4	5,853 -0.8	5,959 1.8	6,017 1.0	6,052 0.6	5,971 -1.4	5,914 -1.0	5,794 -2.0	
<b>2. Manufacturing</b>	62,353 2.8	61,292 -1.7	61,617 0.5	61,961 0.6	61,407 -0.9	61,921 0.8	62,853 1.5	62,669 -0.3	
<b>3. Construction</b>	11,217 -4.3	10,947 -2.4	10,965 0.2	11,050 0.8	11,077 0.2	11,573 4.5	12,200 5.4	12,318 1.0	
<b>4. Utilities</b>	8,918 2.2	9,161 2.7	9,583 4.6	9,389 -2.0	9,378 -0.1	9,202 -1.9	9,154 -0.5	9,389 2.6	
<b>5. Goods Producing Industries</b>	88,387 1.2	87,252 -1.3	88,124 1.0	88,416 0.3	87,915 -0.6	88,667 0.9	90,121 1.6	90,171 0.1	
<b>6. Transportation, Storage and Communication</b>	16,772 0.7	16,662 -0.7	17,018 2.1	16,865 -0.9	16,916 0.3	17,411 2.9	17,964 3.2	18,035 0.4	
<b>7. Wholesale &amp; Retail Trade</b>	30,157 -0.9	29,800 -1.2	29,981 0.6	29,598 -1.3	30,599 3.4	30,495 -0.3	30,585 0.3	30,759 0.6	
<b>8. Finance, Insurance and Real Estate</b>	44,531 -1.6	45,320 1.8	45,972 1.4	46,004 0.1	46,743 1.6	46,509 -0.5	46,862 0.8	47,818 2.0	
<b>9. Community, Business and Personal Services</b>	67,405 0.8	67,985 0.9	68,433 0.7	68,928 0.7	69,038 0.2	68,956 -0.1	68,996 0.1	69,451 0.7	
<b>10. Government Services</b>	17,017 0.3	16,965 -0.3	16,733 -1.4	16,535 -1.2	15,709 -5.0	16,306 3.8	16,238 -0.4	16,259 0.1	
<b>11. Services Producing Industries</b>	175,882 -0.2	176,732 0.5	178,137 0.8	177,931 -0.1	179,004 0.6	179,677 0.4	180,645 0.5	182,321 0.9	
<b>12. Total Production (1992\$) at Factor Cost</b>	264,269 0.3	263,984 -0.1	266,261 0.9	266,347 0.0	266,919 0.2	268,344 0.5	270,765 0.9	272,492 0.6	
	*	1.1	-0.4	3.5	0.1	0.9	2.2	3.7	2.6
<b>13. Indirect Taxes Less Subsidies plus Miscellaneous Adjustments</b>	43,031	43,874	48,205	52,690	47,631	46,209	45,708	44,390	
<b>14. Gross Domestic Product (1992\$) at Market Prices</b>	307,300 -0.2	307,858 0.2	314,466 2.1	319,037 1.5	314,550 -1.4	314,553 0.0	316,473 0.6	316,882 0.1	
	*	-0.6	0.7	8.9	5.9	-5.5	0.0	2.5	0.5

Notes: Percentage change from previous quarter is given on second line.

\* Annualized per cent change from previous quarter

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO PRODUCTION BY INDUSTRY, 1992\$**  
(\$millions, seasonally adjusted at annual rates)

TABLE 13

	1997				1998			
	I	II	III	IV	I	II	III	IV
1. Primary	5,775 -0.3	5,840 1.1	6,007 2.9	6,155 2.5	6,100 -0.9			
2. Manufacturing	64,510 2.9	65,927 2.2	66,887 1.5	68,139 1.9	69,501 2.0			
3. Construction	12,378 0.5	12,811 3.5	12,844 0.3	12,779 -0.5	13,552 6.1			
4. Utilities	9,385 0.0	9,555 1.8	9,270 -3.0	8,917 -3.8	8,395 -5.8			
5. Goods Producing Industries	92,048 2.1	94,134 2.3	95,007 0.9	95,989 1.0	97,549 1.6			
6. Transportation, Storage and Communication	18,563 2.9	18,654 0.5	18,706 0.3	18,907 1.1	19,352 2.4			
7. Wholesale & Retail Trade	31,584 2.7	32,805 3.9	34,154 4.1	35,389 3.6	35,610 0.6			
8. Finance, Insurance and Real Estate	47,770 -0.1	48,330 1.2	48,919 1.2	48,955 0.1	48,985 0.1			
9. Community, Business and Personal Services	70,205 1.1	70,673 0.7	71,569 1.3	70,988 -0.8	72,860 2.6			
10. Government Services	16,134 -0.8	15,788 -2.1	15,620 -1.1	15,408 -1.4	15,485 0.5			
11. Services Producing Industries	184,256 1.1	186,250 1.1	188,967 1.5	189,646 0.4	192,292 1.4			
12. Total Production (1992\$) at Factor Cost	276,304 1.4	280,384 1.5	283,974 1.3	285,635 0.6	289,841 1.5			
	*	5.7	6.0	5.2	2.4	6.0		
13. Indirect Taxes Less Subsidies plus Miscellaneous Adjustments	46,016	46,892	48,902	49,705	50,455			
14. Gross Domestic Product (1992\$) at Market Prices	322,320 1.7	327,276 1.5	332,876 1.7	335,340 0.7	340,296 1.5			
	*	7.0	6.3	7.0	3.0	6.0		

Notes: Percentage change from previous quarter is given on second line.

\* Annualized per cent change from previous quarter

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

*Ontario Economic Accounts, Annual Data***ONTARIO PRODUCTION BY INDUSTRY, 1992\$  
(\$millions)****TABLE 14**

	<b>1993</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>
<b>1. Primary</b>	<b>5,832</b> 0.1	<b>5,843</b> 0.2	<b>5,932</b> 1.5	<b>5,933</b> 0.0	<b>5,944</b> 0.2
<b>2. Manufacturing</b>	<b>53,693</b> 5.7	<b>57,398</b> 6.9	<b>61,806</b> 7.7	<b>62,213</b> 0.7	<b>66,366</b> 6.7
<b>3. Construction</b>	<b>11,418</b> -14.3	<b>11,623</b> 1.8	<b>11,045</b> -5.0	<b>11,792</b> 6.8	<b>12,703</b> 7.7
<b>4. Utilities</b>	<b>8,981</b> 5.9	<b>9,347</b> 4.1	<b>9,263</b> -0.9	<b>9,281</b> 0.2	<b>9,282</b> 0.0
<b>5. Goods Producing Industries</b>	<b>79,924</b> 1.9	<b>84,211</b> 5.4	<b>88,045</b> 4.6	<b>89,218</b> 1.3	<b>94,294</b> 5.7
<b>6. Transportation, Storage and Communication</b>	<b>15,820</b> -1.5	<b>16,372</b> 3.5	<b>16,829</b> 2.8	<b>17,581</b> 4.5	<b>18,708</b> 6.4
<b>7. Wholesale &amp; Retail Trade</b>	<b>26,976</b> 1.2	<b>29,179</b> 8.2	<b>29,884</b> 2.4	<b>30,609</b> 2.4	<b>33,483</b> 9.4
<b>8. Finance, Insurance and Real Estate</b>	<b>44,149</b> 2.8	<b>45,247</b> 2.5	<b>45,457</b> 0.5	<b>46,983</b> 3.4	<b>48,493</b> 3.2
<b>9. Community, Business and Personal Services</b>	<b>65,223</b> 2.0	<b>66,262</b> 1.6	<b>68,188</b> 2.9	<b>69,110</b> 1.4	<b>70,859</b> 2.5
<b>10. Government Services</b>	<b>16,739</b> -1.5	<b>16,939</b> 1.2	<b>16,812</b> -0.7	<b>16,128</b> -4.1	<b>15,737</b> -2.4
<b>11. Services Producing Industries</b>	<b>168,908</b> 1.4	<b>174,000</b> 3.0	<b>177,171</b> 1.8	<b>180,412</b> 1.8	<b>187,280</b> 3.8
<b>12. Total Production (92\$) at Factor Cost</b>	<b>248,832</b> 1.5	<b>258,211</b> 3.8	<b>265,215</b> 2.7	<b>269,630</b> 1.7	<b>281,574</b> 4.4
<b>13. Indirect Taxes Less Subsidies plus Miscellaneous Adjustments</b>	<b>39,736</b>	<b>43,961</b>	<b>46,948</b>	<b>45,985</b>	<b>47,880</b>
<b>14. Gross Domestic Product (1992\$) at Market Prices</b>	<b>288,567</b> 1.1	<b>302,172</b> 4.7	<b>312,163</b> 3.3	<b>315,615</b> 1.1	<b>329,454</b> 4.4

Notes: Percentage change from previous year is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada





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Ministry of Finance

Macroeconomic Analysis & Policy Branch

Current Analysis Unit

95 Grosvenor St., 6th Fl. Frost Bldg. N.

Toronto, ON M7A 1Z1

# ONTARIO ECONOMIC ACCOUNTS

CAZON  
TR17  
- B75

Second Quarter of 1998  
(April, May, June)



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Ministry of Finance  
Office of Economic Policy  
Macroeconomic Analysis and Policy Branch  
November, 1998

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## SECOND QUARTER HIGHLIGHTS

- ⇒ Domestic spending remained strong, with **final domestic demand** rising 1.4%, led by robust consumer spending and healthy business investment in plant and equipment.
- ⇒ **Consumer spending** climbed 2.3%, the strongest quarterly gain in twelve years.
- ⇒ The Ontario economy recorded moderate growth in the April-June period, with **real GDP** rising by 0.2% (0.8% annualized), as collective bargaining disputes in the U.S. auto and Ontario construction industries constrained activity.
- ⇒ **Residential construction** fell, as strikes in the Toronto construction sector reduced new home building.
- ⇒ **Export** growth slowed to 0.1%, as strikes at U.S. auto parts plants led to reduced production in Ontario. **Imports** increased by 1.4%, reflecting strong domestic demand.
- ⇒ Utilities, electrical and electronic manufacturing, and retail trade sectors were the fastest growing industries.

## OVERVIEW: Economic Growth Continues in Second Quarter

Ontario final domestic demand recorded strong growth in the second quarter of 1998 (April-June), rising 1.4% in real terms. Both the household and business sectors grew. Rising income and employment contributed to a strong increase in consumer spending on goods and services, particularly for autos. Business investment spending on plant and equipment rose in the second quarter, as firms raised outlays on computers, trucks and telecommunications equipment.

Layoffs in Ontario's auto sector (stemming from a strike at U.S. GM plants from mid-June to the end of July) and strikes in the

southern Ontario construction industry (from April to mid-September) affected overall economic activity in 1998:2, with real GDP increasing 0.2% (0.8% annualized).

In external trade, export growth slowed, largely the result of reduced auto exports due to the strike in the U.S. Imports rose strongly, resulting in a reduction of Ontario's trade surplus.

Growth was constrained by lower housing activity, as new home construction was hit by strikes. Firms also reduced the rate of inventory investment.

**QUARTERLY ONTARIO KEY ECONOMIC INDICATORS**

(% change from previous period)

	1996	1997	1997:3	1997:4	1998:1	1998:2
<b>Real GDP (1992\$)</b>	<b>1.1</b>	<b>4.4</b>	<b>1.7</b>	<b>0.7</b>	<b>1.4</b>	<b>0.2</b>
Personal spending	2.1	4.5	2.0	0.9	0.8	2.3
Government spending	-2.7	-1.1	2.2	0.1	2.0	0.3
Residential construction	12.3	19.1	1.3	3.3	6.1	-5.0
Non-residential construction	21.4	7.4	0.5	-1.5	-1.1	1.2
Machinery & equipment	6.3	18.7	7.6	0.4	-2.3	2.4
Exports	4.6	10.3	3.3	2.6	2.4	0.1
Imports	4.5	14.1	4.9	3.0	1.7	1.4
Business Inventories (\$1992 billions)	0.0	2.6	3.3	4.3	3.9	2.2
<b>Nominal GDP (Current\$)</b>	<b>2.5</b>	<b>4.8</b>	<b>1.5</b>	<b>0.6</b>	<b>1.4</b>	<b>0.4</b>
Corporation profits	-5.8	16.8	6.2	1.2	-1.7	-5.7
Personal income	2.0	2.6	0.5	0.1	2.4	0.5
Personal disposable income	0.7	1.5	0.2	-0.3	2.6	0.0
<b>Prices</b>						
GDP deflator	1.4	0.4	-0.2	-0.1	0.0	0.2
Consumer Price Index (Y/Y%)	1.5	1.9	2.1	1.1	1.1	0.8

Note: With this release of the *Ontario Economic Accounts*, estimates of Ontario production by industry have been revised for the 1984-1997 period to reflect changes to Statistics Canada's *Provincial Gross Domestic Product by Industry* data.

## Consumer Spending Surges

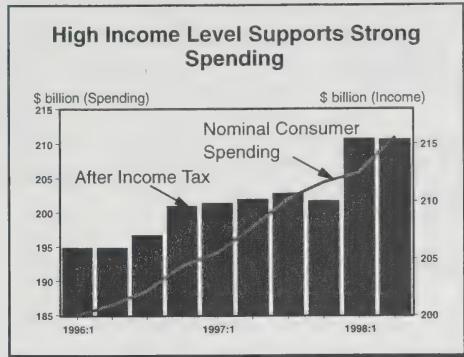
In the second quarter of 1998, Ontario households continued to spend more on consumer goods and services, with real spending rising at its fastest pace in twelve years. The strong growth in consumer spending since the end of 1996 has been supported by high levels of consumer confidence, a healthy Ontario job market and low interest rates.

**Real consumer spending** jumped 2.3% in 1998:2, up for the tenth consecutive quarter, and the fastest gain since the third quarter of 1986. The increase in consumer spending was concentrated in autos, while most other expenditure components also recorded gains, including housing-related items and health services.

**After-tax income** was steady in the second quarter, after surging by 2.6% in the first quarter. Ontario personal disposable income growth in 1998:1 was boosted by the return to normal income levels for striking Canada Post workers and Ontario teachers, plus Ontario government payments to families affected by the teachers' withdrawal of services.

With after-tax income unchanged and consumer spending rising strongly, the Ontario **savings rate** declined from 2.8% in 1998:1 to 0.3% in 1998:2.

In the **housing market**, real residential construction declined 5.0% in the second quarter, following four straight quarterly advances. Strikes in the Toronto area lowered new home construction, offsetting higher home renovation and resale activity.



### Ontario Consumer Indicators (quarter-over-quarter change)

**1998:2**

Personal Income	+0.5%
Labour Income	+0.6%
Nominal Consumer Spending of which: retail sales	+2.5% +3.2%
Employment	+41,000

## Business Investment Rebounds

**Business Investment spending on plant and equipment** rose by 2.1% in the second quarter of 1998, after declining by 2.0% in the first quarter.

Real machinery and equipment investment resumed its two-year upward trend, rising 2.4% in 1998:2, following a drop of 2.3% in the previous quarter. The increase was concentrated in furniture, industrial machinery, computers, cars, trucks and telecommunications equipment. Non-residential construction rose 1.2% in the second quarter.

Business real investment in **inventories** slowed to \$2.2 billion in the second quarter, down from the \$3.9 billion addition in the previous quarter. Slower stock building took place in the retail and wholesale trade sector, and in manufacturing. Healthy demand for durable goods together with disruptions to supply resulting from labour disputes, particularly for autos, contributed to lower business inventory investment.

**Corporation profits** in Ontario fell by 5.7% in the second quarter, largely the result of reduced profits in the auto sector.

## Auto Strike Slows Exports

Ontario **real exports**, (which include both international and interprovincial exports) rose 0.1% in 1998:2, after registering a 2.4% gain in the previous quarter. At the national level, exports of chemicals and auto parts rose in the quarter, while exports of food, woodpulp, cars, trucks, telecommunications equipment and computers declined.

Ontario **imports** increased 1.4% in 1998:2. Growth was concentrated in trucks, telecommunications equipment, computers and aircraft.

With imports rising faster than exports the real trade surplus fell to a level of \$23.3 billion (1992\$), down from \$25.8 billion in the previous quarter. Over the past two years, Ontario's real trade balance declined from \$34.8 billion (1992\$) in 1995:4 to \$23.3 billion in 1998:2. This development largely reflects the strength of Ontario's final domestic demand, which rose by nearly 12% over this period.

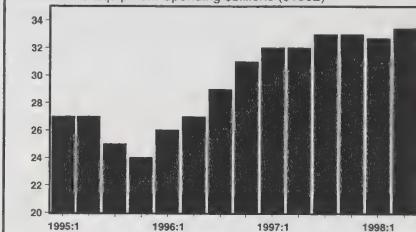
## Low Inflation Continues

The aggregate price level, as measured by the **GDP price deflator**, rose by 0.2% during the second quarter, after recording no change in the first quarter.

Domestic prices increased 0.3% in 1998:2. Prices for consumer goods and services rose 0.2%,

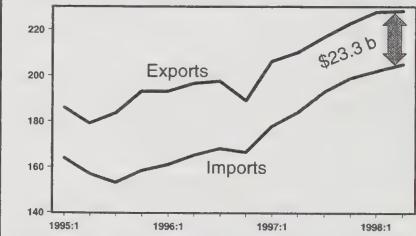
## Business Investment Strong

Plant and Equipment Spending \$billions (\$1992)



## Trade Surplus Narrows

\$ billions (\$1992)



with higher prices for services outweighing a decline in the cost of goods. Housing prices advanced by 1.2%.

Export prices increased by 0.3%, with higher prices for cars, trucks, auto parts, aircraft and telecommunications equipment. Import prices advanced by 0.2%.

## ONTARIO OUTPUT BY SECTOR (% change from previous period, \$1992)

	1996	1997	1997:3	1997:4	1998:1	1998:2
<b>Goods Sector</b>	<b>1.3</b>	<b>5.7</b>	<b>1.0</b>	<b>0.8</b>	<b>1.3</b>	<b>-0.1</b>
Primary Industries	0.0	0.2	3.3	2.5	-0.6	1.9
Manufacturing	0.7	6.7	1.8	1.7	1.4	-0.5
Construction	6.8	7.7	0.3	-0.9	5.9	-2.7
Utilities	0.2	0.0	-4.7	-5.2	-4.3	6.1
<b>Service Sector</b>	<b>1.8</b>	<b>3.8</b>	<b>1.2</b>	<b>0.4</b>	<b>1.3</b>	<b>0.5</b>
Transportation, Storage and Communications	4.5	6.4	-0.1	1.5	1.1	0.9
Wholesale and Retail Trade	2.4	9.4	3.9	3.6	0.6	2.1
Finance, Insurance and Real Estate	3.4	3.2	0.8	-0.1	-0.4	0.6
Community, Business and Personal Services	1.4	2.5	1.2	-0.7	3.0	-0.3
Government	-4.1	-2.4	-1.2	-1.3	0.5	-0.6

## Industrial Composition of Growth

On an industry basis, total real production at factor cost in Ontario rose by 0.3% in the second quarter, similar to the 0.2% gain measured at market prices. The impact of strikes and related shutdowns in the auto manufacturing and construction industries offset strong retail trade and utility gains.

## Retail Trade Records Strong Growth in 1998:2

Wholesale and retail trade activity rose 2.1% in 1998:2, following a gain of 0.6% in the first quarter.

**Retail trade** recorded its eighth consecutive quarter of strong growth, with activity jumping 3.3%. Retail sales growth was led by strong home furnishing and appliance, and auto sales. **Wholesale trade** rose 1.1%.

## Auto Shutdowns Offset Skyrocketing Computer Manufacturing

Manufacturing output fell 0.5% in the second quarter, held back by auto sector shutdowns.

**Auto sector** output fell 7.0% in 1998:2 as production plunged in June. GM Canada was forced to shut down Ontario auto plants as parts inventories, supplied by striking Flint Michigan workers, dried up. 15,000 GM and related workers were temporarily laid-off as a result of the shutdowns.

**Computer production** jumped 22.6% in the second quarter. Both strong exports and domestic demand helped to propel production.

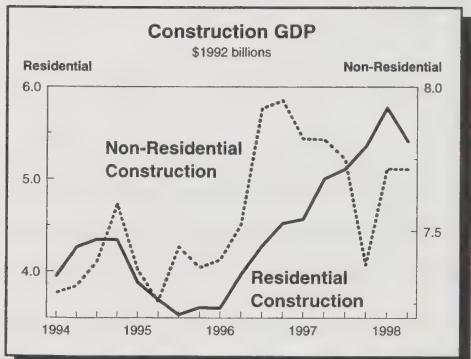
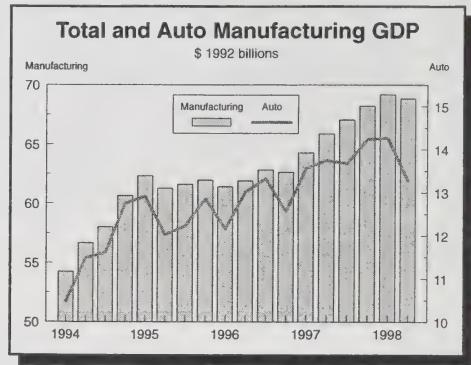
**Furniture production** recorded its fifth consecutive quarter of better than 4.0% growth, climbing 4.6% in the second quarter.

Of 19 major manufacturing industries, 11 expanded in the second quarter including strong gains in food, paper and chemicals.

## Strikes in the Greater Toronto Area Reduce Residential Construction Activity

**Residential construction** dropped 6.3% in 1998:2, a result of labour disruptions involving various construction trades in the Greater Toronto Area. Six different construction trades stopped working throughout May and June starting with drywallers, who began their walkout on May 1<sup>st</sup>. The shortest of these strike lasted 53 days, causing the layoff of some 5,000 construction workers as new home building activity ground to a halt.

Second quarter **non-residential construction** activity was unchanged after a first quarter gain of 4.5%.



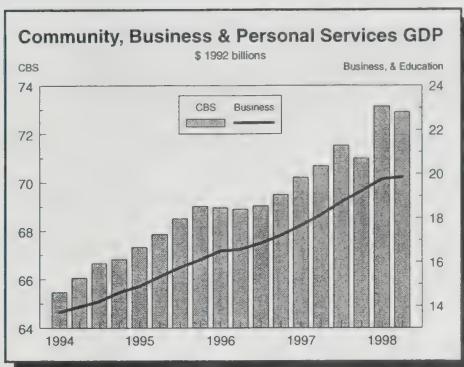
## Community, Business & Personal Services Activity Weak in 1998:2

Community Business and Personal Services fell 0.3% in the second quarter, following a 3.0% gain the 1998:1. Small gains in business and other services was more than offset by reductions in accommodations, amusement and personal services.

### Warmest June on Record Contributes to Electrical Production Surge

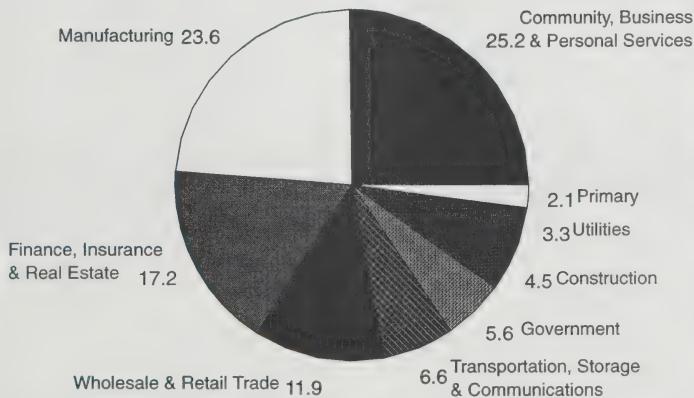
Output by utilities jumped 6.1% in the second quarter rebounding from a 4.3% decline in 1998:1. The first quarter decline, caused by the warmest winter on record and ice storm disruptions, was more than reversed when the record temperatures continued into late spring and the economy grew strongly in the first half of 1998, boosting industrial demand.

Mining industries also recovered from a weak first quarter, rising 0.9% in 1998:2.



### Industrial Structure of Ontario Economy, 1997

% share



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### Income and Expenditure Data

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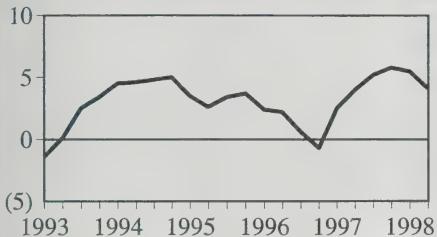
### Ontario Production by Industry, 1992\$

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# Ontario Economic Accounts: Summary (1993:1 - 1998:2)

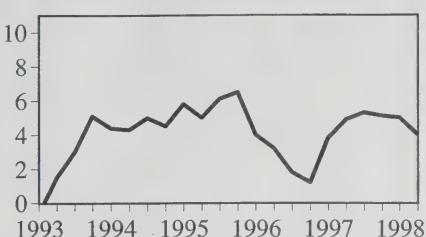
**Gross Domestic Product**  
(1992 \$)

% change, year-over-year



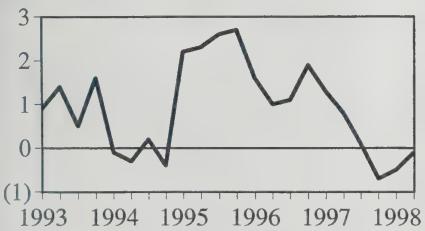
**Gross Domestic Product**  
(Current \$)

% change, year-over-year



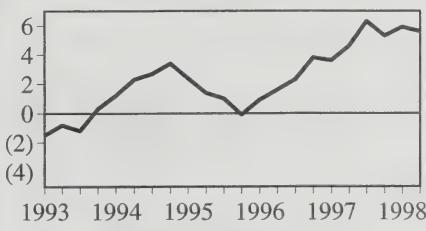
**GDP Deflator**  
(1992 = 100)

% change, year-over-year



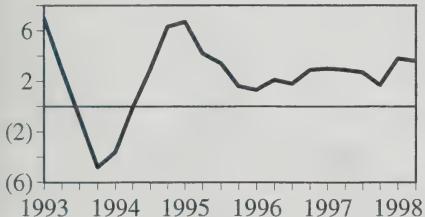
**Final Domestic Demand**  
(1992 \$)

% change, year-over-year



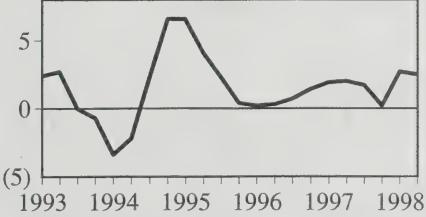
**Personal Income**  
(Current \$)

% change, year-over-year

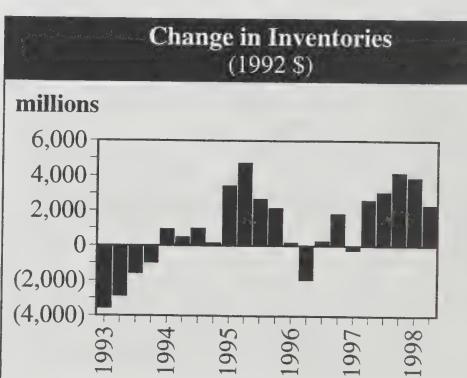
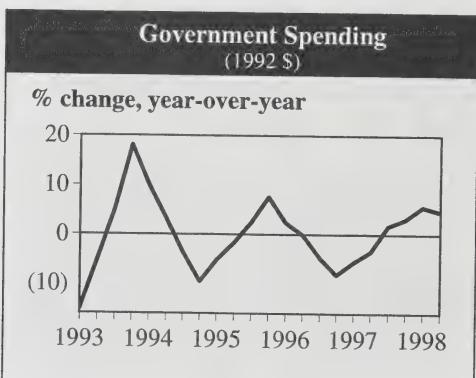
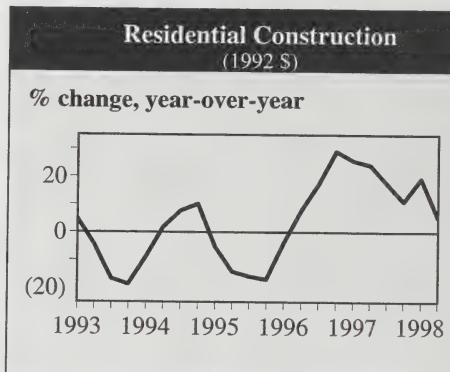
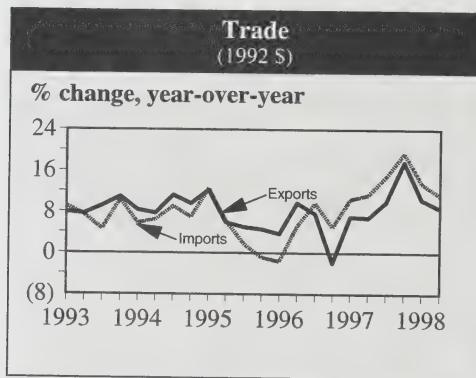
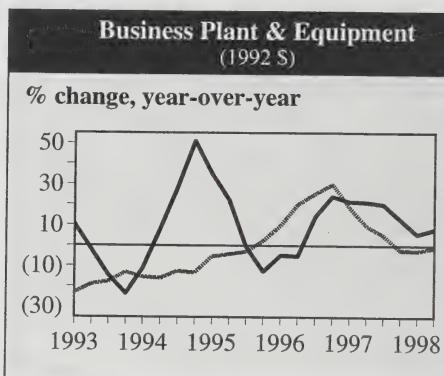
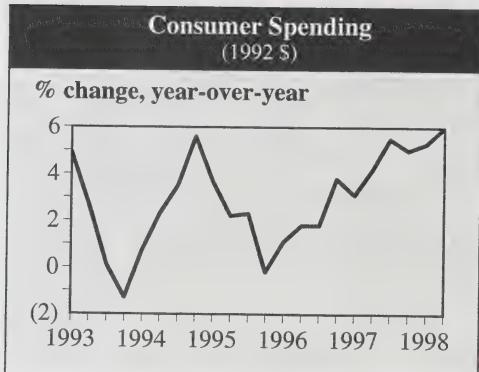


**Personal Disposable Income**  
(Current \$)

% change, year-over-year



# Ontario Economic Accounts: Summary (1993:1 - 1998:2)



## ONTARIO GROSS DOMESTIC PRODUCT, (INCOME BASED)

\$ millions, seasonally adjusted at annual rates)

TABLE 1

	1997				1998			
	I	II	III	IV	I	II	III	IV
	1.2	1.1	0.7	0.2	2.3	0.6		
1. Wages, salaries and supplementary labour income ( <i>domestic basis</i> )	182,865	184,813	186,168	186,551	190,860	191,960		
2. Corporation profits before taxes	33,144	33,718	35,823	36,269	35,663	33,647		
	10.6	1.7	6.2	1.2	-1.7	-5.7		
3. Interest and miscellaneous investment income	15,193	14,336	13,846	13,398	12,422	12,681		
	-6.1	-5.6	-3.4	-3.2	-7.3	2.1		
4. Accrued net income of farm operators from farm production	125	228	249	404	362	372		
	24.5	82.2	9.3	62.5	-10.4	2.8		
5. Net income of non-farm unincorporated business including rent	21,712	22,220	22,704	22,996	23,509	23,634		
	1.9	2.3	2.2	1.3	2.2	0.5		
6. Inventory valuation adjustment	-279	-890	-1,072	-1,151	522	-284		
7. Net Domestic Income at factor cost	252,760	254,425	257,718	258,467	263,338	262,010		
	2.1	0.7	1.3	0.3	1.9	-0.5		
8. Indirect taxes less subsidies	47,609	48,990	50,241	51,439	51,989	53,509		
	0.4	2.9	2.6	2.4	1.1	2.9		
9. Capital consumption allowances and miscellaneous valuation adjustments	39,891	41,401	42,183	42,362	42,013	43,121		
	-0.5	3.8	1.9	0.4	-0.8	2.6		
10. Gross Domestic Product at market prices	340,260	344,816	350,142	352,268	357,340	358,640		
	1.5	1.3	1.5	0.6	1.4	0.4		
*	6.3	5.5	6.3	2.5	5.9	1.5		

notes: Per cent change from previous quarter at quarterly rates is given on the second line.

\* Annualized per cent change from previous quarter.

sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT, (EXPENDITURE BASED)**  
*(*\$ millions, seasonally adjusted at annual rates*)*

TABLE

	1997				1998		
	I	II	III	IV	I	II	III
	194,233	197,789	201,885	204,329	205,709	210,849	
1. Personal expenditure on consumer goods and services:	1.1	1.8	2.1	1.2	0.7	2.5	
2. Goods	86,013	87,607	89,782	90,946	91,267	94,529	
	0.5	1.9	2.5	1.3	0.4	3.6	
3. Services	108,220	110,182	112,103	113,383	114,442	116,320	
	1.5	1.8	1.7	1.1	0.9	1.6	
4. Government expenditure on goods and services:	65,757	66,222	67,869	67,840	69,186	69,511	
	-0.2	0.7	2.5	0.0	2.0	0.5	
5. Current expenditure	59,600	60,191	62,001	62,167	63,212	63,255	
	0.3	1.0	3.0	0.3	1.7	0.1	
6. Capital expenditure	6,157	6,031	5,868	5,673	5,974	6,256	
	-4.9	-2.0	-2.7	-3.3	5.3	4.7	
7. Business gross fixed capital formation:	49,663	51,555	53,680	54,754	55,064	55,032	
	1.8	3.8	4.1	2.0	0.6	-0.1	
8. Residential construction	16,796	18,312	18,640	19,436	20,792	19,988	
	-0.4	9.0	1.8	4.3	7.0	-3.9	
9. Non-residential construction	9,388	9,434	9,495	9,434	9,390	9,512	
	0.1	0.5	0.6	-0.6	-0.5	1.3	
10. Machinery and equipment	23,479	23,809	25,545	25,884	24,882	25,532	
	4.2	1.4	7.3	1.3	-3.9	2.6	
11. Exports of goods and services	228,618	233,676	238,184	245,532	250,852	251,882	
	8.0	2.2	1.9	3.1	2.2	0.4	
12. DEDUCT: Imports of goods and services	197,439	207,490	214,957	224,728	227,126	230,652	
	6.6	5.1	3.6	4.5	1.1	1.6	
13. Value of physical change in inventories:	-380	3,386	3,858	5,020	4,454	2,668	
14. Non-farm	-330	3,608	4,138	5,179	4,490	2,613	
15. Farm and grain in commercial channels	-50	-222	-280	-159	-36	55	
16. Statistical discrepancy	-192	-322	-377	-479	-799	-650	
17. Gross Domestic Product at market prices	340,260	344,816	350,142	352,268	357,340	358,640	
	1.5	1.3	1.5	0.6	1.4	0.4	
18. Gross Domestic Product at 1992 prices	322,320	327,276	332,876	335,340	340,126	340,772	
	1.7	1.5	1.7	0.7	1.4	0.2	
*	7.0	6.3	7.0	3.0	5.8	0.8	

Notes: Per cent change from previous quarter at quarterly rates is given on the second line.

\* Annualized per cent change from previous quarter.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

## ONTARIO GROSS DOMESTIC PRODUCT AT 1992 PRICES

\$ millions, seasonally adjusted at annual rates)

TABLE 3

	1997				1998			
	I	II	III	IV	I	II	III	IV
	181,066	183,842	187,472	189,168	190,588	194,931		
1. Personal expenditure on consumer goods and services	0.5	1.5	2.0	0.9	0.8	2.3		
2. Goods	83,305	84,579	86,204	87,113	87,672	90,981		
	0.0	1.5	1.9	1.1	0.6	3.8		
3. Services	97,761	99,263	101,268	102,055	102,916	103,950		
	1.0	1.5	2.0	0.8	0.8	1.0		
4. Government expenditure on goods and services:	65,477	66,277	67,716	67,778	69,135	69,353		
	-0.4	1.2	2.2	0.1	2.0	0.3		
5. Current expenditure	59,363	60,250	61,877	62,167	63,149	63,065		
	0.1	1.5	2.7	0.5	1.6	-0.1		
6. Capital expenditure	6,114	6,027	5,839	5,611	5,986	6,288		
	-4.9	-1.4	-3.1	-3.9	6.7	5.0		
7. Business gross fixed capital formation:	47,582	48,740	50,742	51,280	51,703	51,439		
	1.5	2.4	4.1	1.1	0.8	-0.5		
8. Residential construction	15,951	17,130	17,356	17,930	19,023	18,072		
	-1.1	7.4	1.3	3.3	6.1	-5.0		
9. Non-residential construction	8,669	8,640	8,679	8,545	8,452	8,554		
	-0.7	-0.3	0.5	-1.5	-1.1	1.2		
10. Machinery and equipment	22,962	22,970	24,707	24,805	24,228	24,813		
	4.4	0.0	7.6	0.4	-2.3	2.4		
11. Exports of goods and services	206,334	209,952	216,945	222,603	227,840	228,154		
	9.1	1.8	3.3	2.6	2.4	0.1		
12. DEDUCT: Imports of goods and services	177,873	183,986	192,960	198,786	202,069	204,842		
	6.9	3.4	4.9	3.0	1.7	1.4		
13. Value of physical change in inventories:	-215	2,590	3,051	4,154	3,855	2,301		
14. Non-farm	-114	2,739	3,281	4,298	3,891	2,203		
15. Farm and grain in commercial channels	-101	-149	-230	-144	-36	98		
16. Statistical discrepancy	-51	-139	-90	-857	-926	-564		
17. Gross Domestic Product at 1992 prices	322,320	327,276	332,876	335,340	340,126	340,772		
	1.7	1.5	1.7	0.7	1.4	0.2		
*	7.0	6.3	7.0	3.0	5.8	0.8		
18. Final domestic demand	294,124	298,859	305,931	308,226	311,426	315,723		
	0.5	1.6	2.4	0.8	1.0	1.4		

Notes: Per cent change from previous quarter at quarterly rates is given on the second line.

\* Annualized per cent change from previous quarter.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**SOURCES AND DISPOSITION OF ONTARIO PERSONAL INCOME**

(\$ millions, seasonally adjusted at annual rates)

TABLE 4

	1997				1998			
	I	II	III	IV	I	II	III	IV
1. Wages, salaries and supplementary labour income ( <i>national basis</i> )	180,144 1.2	182,064 1.1	183,399 0.7	183,776 0.2	188,021 2.3	189,105 0.6		
2. Net income of farm operators from farm production	36 -84.8	59 65.5	70 19.1	82 17.3	74 -10.4	76 2.8		
3. Net income of non-farm unincorporated business including rent	21,712 1.9	22,220 2.3	22,704 2.2	22,996 1.3	23,509 2.2	23,634 0.5		
4. Interest, dividends and miscellaneous investment income	36,934 -2.6	36,043 -2.4	36,100 0.2	36,275 0.5	36,426 0.4	36,846 1.2		
5. Current transfers from government, corporations and non-residents	39,652 -1.1	40,066 1.0	39,595 -1.2	39,156 -1.1	40,942 4.6	40,830 -0.3		
6. Equals: Personal income	278,478 0.3	280,452 0.7	281,868 0.5	282,285 0.1	288,972 2.4	290,491 0.5		
7. Deduct: Personal direct taxes	50,667 0.9	51,229 1.1	51,423 0.4	51,891 0.9	52,823 1.8	54,085 2.4		
8. Other current transfers to government	17,991 0.7	19,147 6.4	19,868 3.8	20,443 2.9	20,754 1.5	21,091 1.6		
9. Equals: Personal disposable income	209,820 0.1	210,076 0.1	210,577 0.2	209,951 -0.3	215,395 2.6	215,315 0.0		
10. Deduct: Personal expenditure on consumer goods and services	194,233 1.1	197,789 1.8	201,885 2.1	204,329 1.2	205,709 0.7	210,849 2.5		
11. Current transfers to corporations	2,809 -15.6	2,701 -3.8	2,793 3.4	3,043 9.0	3,237 6.4	3,379 4.4		
12. Current transfers to non-residents	425 3.1	434 2.1	443 1.9	454 2.5	469 3.4	474 1.0		
13. Equals: Personal saving	12,353 -9.2	9,152 -25.9	5,456 -40.4	2,125 -61.1	5,980 181.4	613 -89.7		
14. Personal savings rate	5.9	4.4	2.6	1.0	2.8	0.3		

Note: Per cent change from previous quarter at quarterly rates is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO TRADE**

*(\$ millions, seasonally adjusted at annual rates)*

TABLE 5

	1997				1998			
	I	II	III	IV	I	II	III	IV
1. Exports of Goods and Services	228,618	233,676	238,184	245,532	250,852	251,882		
	8.0	2.2	1.9	3.1	2.2	0.4		
2. Of Which: International	162,759	166,902	169,857	176,864	182,176	182,296		
	10.7	2.5	1.8	4.1	3.0	0.1		
3. Goods	141,766	145,209	148,207	154,744	159,696	159,168		
	12.3	2.4	2.1	4.4	3.2	-0.3		
4. Services	20,993	21,693	21,650	22,120	22,480	23,128		
	1.1	3.3	-0.2	2.2	1.6	2.9		
5. Of Which: Interprovincial goods and services	65,859	66,774	68,327	68,668	68,676	69,586		
	1.9	1.4	2.3	0.5	0.0	1.3		
6. Imports of Goods and Services	197,439	207,490	214,957	224,728	227,126	230,652		
	6.6	5.1	3.6	4.5	1.1	1.6		
7. Trade Balance	31,179	26,186	23,227	20,804	23,726	21,230		

Note: Per cent change from previous quarter at quarterly rates is given on the second line.

Source: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO DEFATORS**

(1992 = 100)

TABLE 6

	1997				1998			
	I	II	III	IV	I	II	III	IV
1. Personal expenditure on consumer goods and services:	107.3	107.6	107.7	108.0	107.9	108.2		
	0.5	0.3	0.1	0.3	-0.1	0.2		
2. Goods	103.3	103.6	104.2	104.4	104.1	103.9		
	0.5	0.3	0.6	0.2	-0.3	-0.2		
3. Services	110.7	111.0	110.7	111.1	111.2	111.9		
	0.5	0.3	-0.3	0.4	0.1	0.6		
4. Government expenditure on goods and services:	100.4	99.9	100.2	100.1	100.1	100.2		
	0.2	-0.5	0.3	-0.1	0.0	0.2		
5. Current expenditure	100.4	99.9	100.2	100.0	100.1	100.3		
	0.2	-0.5	0.3	-0.2	0.1	0.2		
6. Capital expenditure	100.7	100.1	100.5	101.1	99.8	99.5		
	0.0	-0.6	0.4	0.6	-1.3	-0.3		
7. Business gross fixed capital formation:	104.4	105.8	105.8	106.8	106.5	107.0		
	0.3	1.3	0.0	0.9	-0.3	0.5		
8. Residential construction	105.3	106.9	107.4	108.4	109.3	110.6		
	0.8	1.5	0.5	0.9	0.8	1.2		
9. Non-residential construction	108.3	109.2	109.4	110.4	111.1	111.2		
	0.9	0.8	0.2	0.9	0.6	0.1		
10. Machinery and equipment	102.3	103.7	103.4	104.4	102.7	102.9		
	-0.1	1.4	-0.3	0.9	-1.6	0.2		
11. Exports of goods and services	110.8	111.3	109.8	110.3	110.1	110.4		
	-1.0	0.5	-1.4	0.5	-0.2	0.3		
12. DEDUCT: Imports of goods and services	111.0	112.8	111.4	113.1	112.4	112.6		
	-0.3	1.6	-1.2	1.5	-0.6	0.2		
13. Gross Domestic Product at market prices	105.6	105.4	105.2	105.0	105.1	105.3		
	-0.2	-0.2	-0.2	-0.1	0.0	0.2		
*	-0.7	-0.8	-0.7	-0.5	0.0	0.8		
14. Final domestic demand	105.3	105.6	105.7	106.1	106.0	106.2		
	0.4	0.3	0.1	0.3	-0.1	0.3		

Notes: Per cent change from previous quarter at quarterly rates is given on the second line.

\* Annualized per cent change from previous quarter.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT, (INCOME BASED)**  
 (\$ millions)
**TABLE 7**

	1993	1994	1995	1996	1997
1. Wages, salaries and supplementary labour income ( <i>domestic basis</i> )	164,383 1.0	167,173 1.7	173,228 3.6	177,890 2.7	185,099 4.1
2. Corporation profits before taxes	17,843 23.1	25,933 45.3	31,577 21.8	29,743 -5.8	34,738 16.8
3. Interest and miscellaneous investment income	17,846 -9.5	17,205 -3.6	17,044 -0.9	16,221 -4.8	14,193 -12.5
4. Accrued net income of farm operators from farm production	322 47.7	4 -98.8	337 8325.0	299 -11.3	251 -15.9
5. Net income of non-farm unincorporated business including rent	17,263 6.8	18,172 5.3	19,215 5.7	20,685 7.7	22,408 8.3
6. Inventory valuation adjustment	-1,301	-2,738	-1,263	-619	-848
7. Net Domestic Income at factor cost	216,356 2.0	225,749 4.3	240,138 6.4	244,219 1.7	255,842 4.8
8. Indirect taxes less subsidies	42,807 2.9	44,603 4.2	45,581 2.2	47,075 3.3	49,570 5.3
9. Capital consumption allowances and miscellaneous valuation adjustments	32,553 3.2	34,671 6.5	37,155 7.2	39,730 6.9	41,459 4.4
10. Gross Domestic Product at market prices	291,716 2.2	305,023 4.6	322,874 5.9	331,024 2.5	346,871 4.8

**Note:** Percentage change from previous year is given on the second line.

**Sources:** Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT, (EXPENDITURE BASED)**  
(\$ millions)

TABLE 8

	1993	1994	1995	1996	1997
1. Personal expenditure on consumer goods and services:	169,490 4.1	175,349 3.5	181,516 3.5	188,071 3.6	199,559 6.1
2. Goods	76,700 2.3	78,720 2.6	80,791 2.6	82,998 2.7	88,587 6.7
3. Services	92,790 5.7	96,629 4.1	100,725 4.2	105,073 4.3	110,972 5.6
4. Government expenditure on goods and services:	69,819 0.7	69,166 -0.9	69,996 1.2	67,777 -3.2	66,922 -1.3
5. Current expenditure	63,462 2.0	61,935 -2.4	62,311 0.6	60,862 -2.3	60,990 0.2
6. Capital expenditure	6,357 -10.5	7,231 13.8	7,685 6.3	6,914 -10.0	5,932 -14.2
7. Business gross fixed capital formation:	37,775 -9.6	40,333 6.8	40,156 -0.4	44,447 10.7	52,414 17.9
8. Residential construction	14,563 -8.3	15,229 4.6	13,377 -12.2	14,987 12.0	18,296 22.1
9. Non-residential construction	8,091 -16.7	7,201 -11.0	7,131 -1.0	8,685 21.8	9,438 8.7
10. Machinery and equipment	15,121 -6.5	17,903 18.4	19,648 9.7	20,775 5.7	24,679 18.8
11. Exports of goods and services	162,732 11.5	185,586 14.0	205,747 10.9	217,051 5.5	236,502 9.0
12. DEDUCT: Imports of goods and services	147,275 12.9	166,158 12.8	178,389 7.4	185,428 3.9	211,154 13.9
13. Value of physical change in inventories:	-1,698	330	3,876	-41	2,971
14. Non-farm	-1,787	399	3,833	47	3,149
15. Farm and grain in commercial channels	89	-69	43	-88	-178
16. Statistical discrepancy	873	417	-28	-853	-343
17. Gross Domestic Product at market prices	291,716 2.2	305,023 4.6	322,874 5.9	331,024 2.5	346,871 4.8
18. Gross Domestic Product at 1992 prices	288,567 1.1	302,172 4.7	312,163 3.3	315,615 1.1	329,454 4.4

Note: Percentage change from previous year is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT AT 1992 PRICES**  
**(*\$ millions*)**
**TABLE 9**

	1993	1994	1995	1996	1997
<b>1. Personal expenditure on consumer goods and services:</b>	<b>165,380</b>	<b>170,389</b>	<b>173,748</b>	<b>177,456</b>	<b>185,387</b>
	1.6	3.0	2.0	2.1	4.5
<b>2. Goods</b>	<b>75,418</b>	<b>78,510</b>	<b>79,910</b>	<b>81,304</b>	<b>85,300</b>
	0.5	4.1	1.8	1.7	4.9
<b>3. Services</b>	<b>89,962</b>	<b>91,879</b>	<b>93,838</b>	<b>96,152</b>	<b>100,087</b>
	2.5	2.1	2.1	2.5	4.1
<b>4. Government expenditure on goods and services:</b>	<b>69,201</b>	<b>69,010</b>	<b>69,470</b>	<b>67,583</b>	<b>66,812</b>
	-0.2	-0.3	0.7	-2.7	-1.1
<b>5. Current expenditure</b>	<b>62,847</b>	<b>61,854</b>	<b>61,990</b>	<b>60,755</b>	<b>60,914</b>
	1.0	-1.6	0.2	-2.0	0.3
<b>6. Capital expenditure</b>	<b>6,354</b>	<b>7,156</b>	<b>7,480</b>	<b>6,827</b>	<b>5,898</b>
	-10.5	12.6	4.5	-8.7	-13.6
<b>7. Business gross fixed capital formation:</b>	<b>37,166</b>	<b>38,912</b>	<b>38,312</b>	<b>42,495</b>	<b>49,586</b>
	-11.1	4.7	-1.5	10.9	16.7
<b>8. Residential construction</b>	<b>14,394</b>	<b>14,724</b>	<b>12,779</b>	<b>14,351</b>	<b>17,092</b>
	-9.4	2.3	-13.2	12.3	19.1
<b>9. Non-residential construction</b>	<b>7,925</b>	<b>6,793</b>	<b>6,620</b>	<b>8,038</b>	<b>8,633</b>
	-18.4	-14.3	-2.5	21.4	7.4
<b>10. Machinery and equipment</b>	<b>14,847</b>	<b>17,395</b>	<b>18,913</b>	<b>20,106</b>	<b>23,861</b>
	-8.3	17.2	8.7	6.3	18.7
<b>11. Exports of goods and services</b>	<b>158,952</b>	<b>173,573</b>	<b>185,401</b>	<b>193,983</b>	<b>213,959</b>
	8.9	9.2	6.8	4.6	10.3
<b>12. DEDUCT: Imports of goods and services</b>	<b>140,754</b>	<b>150,736</b>	<b>157,957</b>	<b>165,140</b>	<b>188,400</b>
	7.9	7.1	4.8	4.5	14.1
<b>13. Value of physical change in inventories:</b>	<b>-2,237</b>	<b>617</b>	<b>3,216</b>	<b>68</b>	<b>2,395</b>
<b>14. Non-farm</b>	<b>-1,685</b>	<b>563</b>	<b>3,192</b>	<b>25</b>	<b>2,551</b>
<b>15. Farm and grain in commercial channels</b>	<b>-552</b>	<b>54</b>	<b>24</b>	<b>43</b>	<b>-156</b>
<b>16. Statistical discrepancy</b>	<b>859</b>	<b>407</b>	<b>-27</b>	<b>-829</b>	<b>-285</b>
<b>17. Gross Domestic Product at 1992 prices</b>	<b>288,567</b>	<b>302,172</b>	<b>312,163</b>	<b>315,615</b>	<b>329,454</b>
	1.1	4.7	3.3	1.1	4.4
<b>18. Final domestic demand</b>	<b>271,748</b>	<b>278,312</b>	<b>281,520</b>	<b>287,534</b>	<b>301,785</b>
	-0.8	2.4	1.2	2.1	5.0

Notes: Percentage change from previous year is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**SOURCES AND DISPOSITION OF ONTARIO PERSONAL INCOME**  
 (\$ millions)

TABLE 10

	1993	1994	1995	1996	1997
1. Wages, salaries and supplementary labour income (national basis)	161,954 0.9	164,938 1.8	170,657 3.5	175,023 2.6	182,346 4.2
2. Net income of farm operators from farm production	322 47.9	4 -98.8	337 8325.0	299 -11.3	62 -79.4
3. Net income of non-farm unincorporated business including rent	17,263 6.8	18,172 5.3	19,215 5.7	20,685 7.7	22,408 8.3
4. Interest, dividends and miscellaneous investment income	35,743 -5.5	35,196 -1.5	38,295 8.8	38,036 -0.7	36,338 -4.5
5. Current transfers from government, corporations and non-residents	39,453 5.0	39,807 0.9	39,827 0.1	39,699 -0.3	39,617 -0.2
6. Equals: Personal income	254,735 1.0	258,117 1.3	268,331 4.0	273,742 2.0	280,772 2.6
7. Deduct: Personal direct taxes	40,293 0.2	41,260 2.4	44,033 6.7	48,167 9.4	51,303 6.5
8. Other current transfers to government	16,666 1.4	17,626 5.8	18,544 5.2	18,484 -0.3	19,362 4.8
9. Equals: Personal disposable income	197,776 1.1	199,231 0.7	205,754 3.3	207,091 0.7	210,107 1.5
10. Deduct: Personal expenditure on consumer goods and services	169,490 4.1	175,349 3.5	181,516 3.5	188,071 3.6	199,559 6.1
11. Current transfers to corporations	2,689 -18.0	2,818 4.8	3,784 34.3	3,535 -6.6	2,837 -19.8
12. Current transfers to non-residents	361 5.9	390 8.0	405 3.8	418 3.2	439 5.0
13. Equals: Personal saving	25,236 -13.6	20,674 -18.1	20,049 -3.0	15,067 -24.8	7,272 -51.7
14. Personal savings rate	12.8	10.4	9.7	7.3	3.5

Note: Percentage change from previous year is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

*Ontario Economic Accounts, Annual Data***ONTARIO TRADE**

(\$ millions)

**TABLE 11**

	1993	1994	1995	1996	1997
<b>1. Exports of Goods and Services</b>	<b>162,732</b>	<b>185,586</b>	<b>205,747</b>	<b>217,051</b>	<b>236,502</b>
	11.5	14.0	10.9	5.5	9.0
<b>2. Of Which: International</b>	<b>108,075</b>	<b>127,605</b>	<b>145,819</b>	<b>154,160</b>	<b>169,095</b>
	17.9	18.1	14.3	5.7	9.7
<b>3. Goods</b>	<b>93,901</b>	<b>111,343</b>	<b>127,645</b>	<b>134,197</b>	<b>147,481</b>
	18.3	18.6	14.6	5.1	9.9
<b>4. Services</b>	<b>14,174</b>	<b>16,262</b>	<b>18,174</b>	<b>19,963</b>	<b>21,614</b>
	15.3	14.7	11.8	9.8	8.3
<b>5. Of Which: Interprovincial goods and services</b>	<b>54,657</b>	<b>57,981</b>	<b>59,928</b>	<b>62,891</b>	<b>67,407</b>
	0.7	6.1	3.4	4.9	7.2
<b>6. Imports of Goods and Services</b>	<b>147,275</b>	<b>166,158</b>	<b>178,389</b>	<b>185,428</b>	<b>211,154</b>
	12.9	12.8	7.4	3.9	13.9
<b>7. Trade Balance</b>	<b>15,457</b>	<b>19,428</b>	<b>27,358</b>	<b>31,623</b>	<b>25,348</b>

Note: Percentage change from previous year is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO DEFLATATORS**

(1992 = 100)

TABLE 12

	1993	1994	1995	1996	1997
<b>1. Personal expenditure on consumer goods and services:</b>	<b>102.5</b>	<b>102.9</b>	<b>104.5</b>	<b>106.0</b>	<b>107.6</b>
	2.5	0.4	1.5	1.4	1.6
<b>2. Goods</b>	<b>101.7</b>	<b>100.3</b>	<b>101.1</b>	<b>102.1</b>	<b>103.8</b>
	1.7	-1.4	0.8	1.0	1.7
<b>3. Services</b>	<b>103.1</b>	<b>105.2</b>	<b>107.3</b>	<b>109.3</b>	<b>110.9</b>
	3.2	2.0	2.1	1.8	1.5
<b>4. Government expenditure on goods and services:</b>	<b>100.9</b>	<b>100.2</b>	<b>100.8</b>	<b>100.3</b>	<b>100.2</b>
	0.9	-0.7	0.5	-0.5	-0.1
<b>5. Current expenditure</b>	<b>101.0</b>	<b>100.1</b>	<b>100.5</b>	<b>100.2</b>	<b>100.1</b>
	0.9	-0.8	0.4	-0.3	0.0
<b>6. Capital expenditure</b>	<b>100.1</b>	<b>101.0</b>	<b>102.7</b>	<b>101.3</b>	<b>100.6</b>
	0.1	1.0	1.7	-1.5	-0.7
<b>7. Business gross fixed capital formation:</b>	<b>101.7</b>	<b>103.7</b>	<b>104.8</b>	<b>104.6</b>	<b>105.7</b>
	1.7	1.9	1.1	-0.2	1.0
<b>8. Residential construction</b>	<b>101.2</b>	<b>103.4</b>	<b>104.7</b>	<b>104.4</b>	<b>107.0</b>
	1.2	2.2	1.2	-0.2	2.5
<b>9. Non-residential construction</b>	<b>102.1</b>	<b>106.0</b>	<b>107.7</b>	<b>108.1</b>	<b>109.3</b>
	2.1	3.8	1.6	0.3	1.2
<b>10. Machinery and equipment</b>	<b>102.1</b>	<b>103.2</b>	<b>103.9</b>	<b>103.4</b>	<b>103.4</b>
	2.1	1.1	0.7	-0.5	0.0
<b>11. Exports of goods and services</b>	<b>102.4</b>	<b>106.9</b>	<b>111.0</b>	<b>111.9</b>	<b>110.5</b>
	2.4	4.4	3.8	0.8	-1.2
<b>12. DEDUCT: Imports of goods and services</b>	<b>104.6</b>	<b>110.2</b>	<b>112.9</b>	<b>112.3</b>	<b>112.1</b>
	4.7	5.3	2.5	-0.6	-0.2
<b>13. Gross Domestic Product at market prices</b>	<b>101.1</b>	<b>100.9</b>	<b>103.4</b>	<b>104.9</b>	<b>105.3</b>
	1.1	-0.1	2.5	1.4	0.4
<b>14. Final domestic demand</b>	<b>102.0</b>	<b>102.4</b>	<b>103.6</b>	<b>104.4</b>	<b>105.7</b>
	1.9	0.4	1.2	0.8	1.2

Note: Percentage change from previous year is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO PRODUCTION BY INDUSTRY, 1992\$**  
*(\$millions, seasonally adjusted at annual rates)*

TABLE 13

	1997				1998			
	I	II	III	IV	I	II	III	IV
1. Primary	5,758 -0.4	5,830 1.2	6,020 3.3	6,169 2.5	6,132 -0.6	6,246 1.9		
2. Manufacturing	64,283 2.6	65,885 2.5	67,066 1.8	68,229 1.7	69,184 1.4	68,858 -0.5		
3. Construction	12,388 -0.7	12,823 3.5	12,860 0.3	12,740 -0.9	13,488 5.9	13,123 -2.7		
4. Utilities	9,562 0.5	9,648 0.9	9,196 -4.7	8,720 -5.2	8,342 -4.3	8,852 6.1		
5. Goods Producing Industries	91,992 1.7	94,187 2.4	95,142 1.0	95,857 0.8	97,146 1.3	97,079 -0.1		
6. Transportation, Storage and Communication	18,567 3.7	18,678 0.6	18,657 -0.1	18,928 1.5	19,137 1.1	19,309 0.9		
7. Wholesale & Retail Trade	31,646 2.9	32,844 3.8	34,111 3.9	35,330 3.6	35,532 0.6	36,281 2.1		
8. Finance, Insurance and Real Estate	47,614 -0.4	48,540 1.9	48,930 0.8	48,889 -0.1	48,701 -0.4	49,015 0.6		
9. Community, Business and Personal Services	70,209 1.0	70,689 0.7	71,534 1.2	71,003 -0.7	73,149 3.0	72,912 -0.3		
10. Government Services	16,124 -0.9	15,805 -2.0	15,615 -1.2	15,406 -1.3	15,477 0.5	15,391 -0.6		
11. Services Producing Industries	184,161 1.1	186,554 1.3	188,847 1.2	189,556 0.4	191,996 1.3	192,908 0.5		
12. Total Production (1992\$) at Factor Cost	276,152 1.3	280,741 1.7	283,989 1.2	285,413 0.5	289,142 1.3	289,987 0.3		
	*	5.2	6.8	4.7	2.0	5.3	1.2	
13. Indirect Taxes Less Subsidies plus Miscellaneous Adjustments	46,168	46,534	48,887	49,927	50,984	50,785		
14. Gross Domestic Product (1992\$) at Market Prices	322,320 1.7	327,276 1.5	332,876 1.7	335,340 0.7	340,126 1.4	340,772 0.2		
	*	7.0	6.3	7.0	3.0	5.8	0.8	

Notes: Percentage change from previous quarter is given on second line.

\* Annualized per cent change from previous quarter

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

## Ontario Economic Accounts, Annual Data

**ONTARIO PRODUCTION BY INDUSTRY, 1992\$**  
(\$millions)

**TABLE 14**

	1993	1994	1995	1996	1997
1. Primary	5,832 0.1	5,843 0.2	5,932 1.5	5,933 0.0	5,944 0.2
2. Manufacturing	53,693 5.7	57,398 6.9	61,806 7.7	62,213 0.7	66,366 6.7
3. Construction	11,418 -14.3	11,623 1.8	11,045 -5.0	11,792 6.8	12,703 7.7
4. Utilities	8,981 5.9	9,347 4.1	9,263 -0.9	9,281 0.2	9,282 0.0
5. Goods Producing Industries	79,924 1.9	84,211 5.4	88,045 4.6	89,218 1.3	94,294 5.7
6. Transportation, Storage and Communication	15,820 -1.5	16,372 3.5	16,829 2.8	17,581 4.5	18,708 6.4
7. Wholesale & Retail Trade	26,976 1.2	29,179 8.2	29,884 2.4	30,609 2.4	33,483 9.4
8. Finance, Insurance and Real Estate	44,149 2.8	45,247 2.5	45,457 0.5	46,983 3.4	48,493 3.2
9. Community, Business and Personal Services	65,223 2.0	66,262 1.6	68,188 2.9	69,110 1.4	70,859 2.5
10. Government Services	16,739 -1.5	16,939 1.2	16,812 -0.7	16,128 -4.1	15,737 -2.4
11. Services Producing Industries	168,908 1.4	174,000 3.0	177,171 1.8	180,412 1.8	187,280 3.8
12. Total Production (92\$) at Factor Cost	248,832 1.5	258,211 3.8	265,215 2.7	269,630 1.7	281,574 4.4
13. Indirect Taxes Less Subsidies plus Miscellaneous Adjustments	39,736	43,961	46,948	45,985	47,880
14. Gross Domestic Product (1992\$) at Market Prices	288,567 1.1	302,172 4.7	312,163 3.3	315,615 1.1	329,454 4.4

Notes: Percentage change from previous year is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada



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This document is also available on the Internet at <http://www.gov.on.ca/FIN/english/oecoeng.htm>

# ONTARIO ECONOMIC ACCOUNTS

CAZON  
TR 17  
- BES

**Third Quarter of 1998**  
*(July, August & September)*



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Ministry of Finance  
Office of Economic Policy  
Macroeconomic Analysis and Policy Branch  
February, 1999

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## THIRD QUARTER HIGHLIGHTS

- The Ontario economy expanded at a moderate pace in the third quarter of 1998, with **real GDP** rising 0.3% (1.1% annualized), as collective bargaining disputes in several sectors buffeted the economy.
- **Consumer spending** rose 0.3%, with auto sales levelling off in 1998:3, after surging in the previous quarter.
- Businesses continued to raise **investment spending on plant and equipment**, up 0.4%, following a 3.7% gain in the previous quarter.
- **Residential construction** fell 3.7%, down for the second straight quarter. Strikes in the Toronto construction sector continued to affect new home building.
- **Exports** declined 0.3% in the third quarter, while imports fell by 2.7%, with protracted disputes in the U.S. auto industry a major factor in reduced trade.
- By **industry**, high technology industries, such as telecommunications, and computer manufacturing and services, grew rapidly in the third quarter along with wholesale trade and utilities.

## OVERVIEW: Economic Growth Continues in Third Quarter

The Ontario economy registered moderate growth in the third quarter of 1998 (July-September), with real GDP rising 0.3%, as output was constrained by several major industrial labour disputes.

Overall growth was held back by a decline in housing, weak exports and inventory depletion, reflecting strikes in the Toronto construction industry and labour disruptions in the Ontario auto sector. In addition, a three week labour dispute involving several Ontario school boards and the Air Canada pilots strike reduced income and output growth.

After recording its strongest quarterly advance in twelve years in the second quarter, consumer spending on goods and services rose 0.3% in the third quarter.

In external trade, both exports and imports were affected by a GM auto strike in the U.S., which shut down GM auto production in Ontario. With exports declining less than imports, Ontario's trade surplus improved.

Businesses continued to lift investment spending on new plants and machinery and equipment, despite the fourth consecutive drop in profits. Firms reduced inventories,

particularly auto stocks at the retail level.

Housing market activity declined for the second straight quarter, as strikes in the southern Ontario construction sector reduced new home building. Spending on home renovations and resale housing sales also declined.

Prices, as measured by the GDP price deflator, declined by 0.5% in the third quarter, following no change in the second quarter and a decline of 0.1% in 1998:I. Over the first nine months of 1998, Ontario's GDP price deflator is down 0.5% from the same period a year ago.

With this release of the *Ontario Economic Accounts*, estimates of Ontario GDP and production by industry have been revised for the 1993-1997 period to reflect changes to Statistics Canada's *National Accounts*.

In 1997, Ontario real GDP grew 4.6%, up from the previous estimate of 4.4%. In nominal terms, GDP rose 5.3% in 1997, compared to 4.8% previously estimated.

#### **Collective Bargaining Disputes Affecting the Ontario Economy in 1998:3**

Industry	Ontario Workers Affected	Start - End Date	Days
GTA New Home Construction	About 6,500	May 1 to Sept 14	137
U.S. General Motors	9,400 GM & 6,000 Non-GM	June 5 to July 29	55
Cranes & Heavy Equipment	4,000	July 6 to July 27	22
Abitibi-Consolidated	1,400	June 15 to Nov 19	158
Air Canada Pilots	4,000 total workers	Sept 2 to Sept 14	12 <sup>1/2</sup>
Teachers	10,600	Sept 8 to Sept 28	21

## QUARTERLY ONTARIO KEY ECONOMIC INDICATORS

(% change from previous period)

	1996	1997	1997:4	1998:1	1998:2	1998:3
<b>Real GDP (\$1992)</b>	<b>1.1</b>	<b>4.6</b>	<b>0.5</b>	<b>1.4</b>	<b>0.3</b>	<b>0.3</b>
Personal spending	2.4	4.6	0.9	0.7	2.4	0.3
Government spending	-3.8	-2.1	0.0	2.1	0.7	0.3
Residential construction	11.5	15.7	1.1	5.3	-4.7	-3.7
Non-residential construction	21.9	6.7	-1.3	-1.2	0.9	0.1
Machinery & equipment	11.6	19.5	1.1	-2.1	4.6	0.5
Exports	4.8	10.1	2.3	2.9	-0.3	-0.3
Imports	5.1	13.3	3.0	2.2	1.3	-2.7
Business Inventories (\$1992 billions)	0.0	2.9	4.6	4.0	2.8	-1.1
<b>Nominal GDP (Current\$)</b>	<b>2.5</b>	<b>5.3</b>	<b>0.5</b>	<b>1.3</b>	<b>0.3</b>	<b>-0.2</b>
Corporation profits	-5.0	13.9	-0.7	-3.5	-4.2	-2.5
Personal income	2.0	3.6	0.2	2.4	0.5	-0.2
Disposable income	0.6	2.8	0.0	2.6	0.0	-0.4
<b>Prices</b>						
GDP deflator	1.4	0.7	0.0	-0.1	0.0	-0.5
Consumer Price Index (Y/Y%)	1.5	1.9	1.1	1.1	0.8	0.8

### Consumer Spending Up

In the third quarter of 1998, Ontario households continued to spend more on consumer goods and services, with real spending rising 0.3%, after surging by 2.4% in the previous quarter.

Consumer spending has been on an upward trend for nearly three years, supported by high levels of confidence, increased after-tax income, strong labour markets and low interest rates.

The moderation in consumer spending growth in 1998:3 largely resulted from a levelling off in auto purchases in the third quarter, following a surge in sales in the second quarter.

Increased federal tax collections more than offset a drop in the provincial tax rate, contributing to a 0.4% decline in **disposable income**. On July 1, 1998 Ontario's provincial income tax rate was cut from 45.0% to 40.5% of Basic Federal Tax. Labour disruptions and a drop in industrial earnings were also factors in lower take-home pay.

With after-tax income declining slightly and consumer spending rising, the Ontario **savings rate** decreased from 1.8% in 1998:2 to 0.6% in 1998:3.

In the **housing market**, real residential construction declined 3.7% in the third quarter, following a 4.7% reduction in the previous quarter. Strikes in the Toronto area continued to hamper new home construction. Home renovation and resale activity also fell in the quarter.

## Business Investment Grows

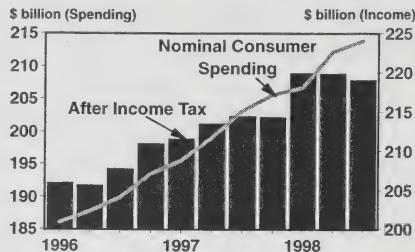
**Business investment spending on plant and equipment** rose by 0.4% in the third quarter of 1998, after jumping 3.7% in the second quarter.

Real machinery and equipment investment growth eased to 0.5%, following a robust 4.6% advance in the second quarter. Firms raised spending on computers, transportation equipment other than autos, telecommunications equipment and trucks, while reducing outlays on industrial machinery, furniture and autos. Non-residential construction rose 0.1% in the third quarter, after rising 0.9% in 1998:2.

Businesses ran down real **inventories** by \$1.1 billion in the third quarter, the first decline in over two years. Stock building in the manufacturing and wholesale trade sectors was offset by a substantial drop in auto inventories at the retail level.

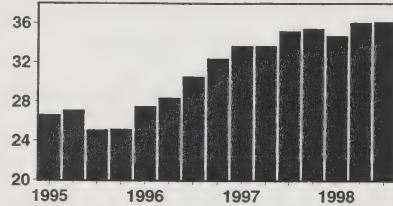
**Corporation profits** in Ontario fell by 2.5% in the third quarter, the fourth consecutive quarterly decline. Sharply lower profits in the auto sector, transportation services and the steel industry offset gains in electrical product production and computer services.

## High Income Level Supports Strong Spending



## Business Investment Rising

Plant and Equipment Spending \$1992 billions



## Auto Dispute Hits Exports and Imports

Ontario **real exports**, (which include both international and interprovincial exports) declined 0.3% in 1998:3, reflecting the impact of the GM strike in Flint Michigan, which caused shutdowns in Ontario. Exports of organic chemicals, trucks, aircraft and computers rose in the quarter, while exports of primary iron, precious metals, cars, auto parts, industrial machinery and telecommunications equipment declined.

Ontario **imports** fell 2.7% in 1998:3, largely because of sharply lower auto imports, which outweighed increased imports of machinery and equipment and computers.

With imports falling faster than exports the real trade surplus rose to a level of \$30.1 billion (\$1992), up from \$25.4 billion in the previous quarter.

## Low Inflation Continues

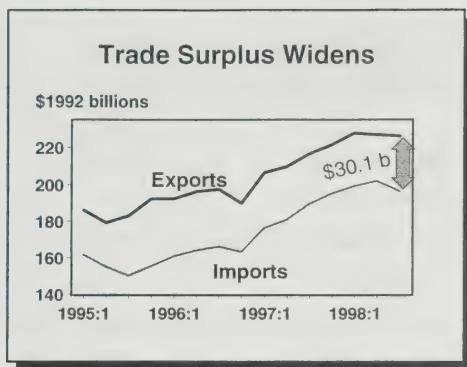
The aggregate price level, as measured by the **GDP price deflator**, fell by 0.5% during the third quarter, after recording no change in the second quarter and a decline (-0.1%) in the first quarter.

Domestic prices increased 0.3% in 1998:3. Prices for consumer goods and services rose 0.5%, with higher prices for both goods and services. Housing prices advanced by 0.2%.

Export prices increased by 0.7%, with higher prices for cars, trucks, auto parts, aircraft and telecommunications equipment. Import prices advanced by 2.5%, attributable in part to a lower Canadian dollar.

## Third Quarter Features High Tech Growth and Labour Disruptions

On an industry basis, total real production at factor cost in Ontario rose by 0.3% in the third quarter, the same gain as measured at market prices. High technology industries, such as telecommunications, computer manufacturing and computer services, grew rapidly in the third quarter along with wholesale trade and utilities. The impact of strikes and related shutdowns in the auto and paper manufacturing, construction, air transportation and education industries



### Ontario International Exports (\$1992) (quarter-over-quarter % change)

1998:3

Chemicals	+1.0
Iron and Steel	-1.4
Motor Vehicles	-0.8
Cars	-3.4
Trucks	+11.5
Parts	-1.8
Machinery and Equipment	+6.8

dampened these strong gains.

### ONTARIO OUTPUT BY SECTOR

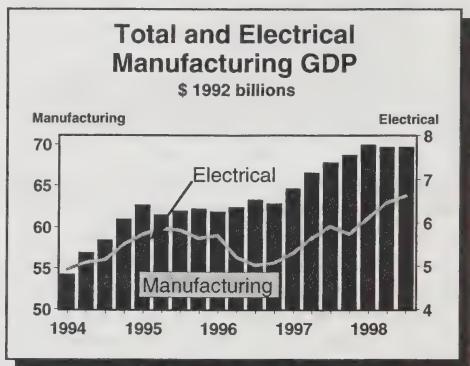
(% change from previous period, \$1992)

	1996	1997	1997:4	1998:1	1998:2	1998:3
<b>Goods Sector</b>	<b>1.2</b>	<b>5.8</b>	<b>0.5</b>	<b>1.7</b>	<b>-0.2</b>	<b>0.1</b>
Primary Industries	0.1	0.2	2.1	-0.1	0.8	0.5
Manufacturing	0.8	6.9	1.4	1.8	-0.5	0.0
Construction	5.7	6.6	-1.0	4.7	-2.4	-1.3
Utilities	-0.4	0.2	-4.6	-2.0	4.4	2.7
<b>Service Sector</b>	<b>1.7</b>	<b>3.8</b>	<b>0.7</b>	<b>1.0</b>	<b>0.4</b>	<b>0.4</b>
Transportation, Storage and Communications	3.3	5.9	1.6	1.0	0.1	1.4
Wholesale and Retail Trade	2.0	8.5	3.9	0.1	2.3	2.1
Finance, Insurance and Real Estate	4.0	4.2	0.5	-0.2	0.3	0.3
Community, Business and Personal Services	0.9	2.2	-0.6	2.6	-0.1	-0.1
Government	-3.5	-1.5	-1.2	0.3	-0.7	-1.5

### Computer and Aircraft Production Gains Offset Auto Sector Weakness

Manufacturing output was unchanged in the third quarter, as the impact of shutdowns caused by strikes in the auto sector was offset by gains in computer, aircraft and other transportation equipment production.

Auto sector output fell 2.5%. Ontario GM assembly plants lost production of 46,000 cars and trucks over the duration of the parts plants strikes in Flint Michigan which began June 5 and ended July 29. GM plants in Ontario returned to production early in August. The auto sector decline was partly offset by an 8.6% rise in aircraft production.



Computer production recorded its second consecutive quarter of exceptional growth, soaring 15.8% in 1998:3. So far in 1998, strong domestic and foreign demand has driven impressive gains of 37.9% in computer manufacturing.

Work stoppages at Abitibi-Consolidated curtailed paper production in 1998:3, with output down 8.6%. The strike, which began June 15<sup>th</sup>, closed four Ontario mills throughout the third quarter.

Food production recorded it's sixth consecutive quarter of strong growth, rising 1.5% in the third quarter.

Of 19 major manufacturing industries, 12 expanded in the third quarter including strong gains in plastics, fabricated metals and clothing.

## **Telecommunications Growth Leads Transportation, Storage and Communications**

Communication activity jumped 3.9% in the third quarter, boosted by strong telecommunication growth. Partially offsetting this growth was the impact of a 12½ day Air Canada strike on transportation activity, down 0.7%.

## **Wholesale Trade Up Strongly in 1998:3**

Wholesale and retail trade activity rose 2.1% in 1998:3, following a revised gain of 2.3% in the second quarter.

Wholesale trade recorded its strongest growth so far this year, with activity jumping 3.3%. Wholesale activity was led by strong computer sales.

Retail trade rose 0.7% in 1998:3, following a 3.5% surge in the second quarter.



## **Education Labour Disputes Impact on Community, Business & Personal Services Activity**

Gains in amusement and business services were not enough to offset declines in education activity as community business and personal services production fell 0.1% in the third quarter.

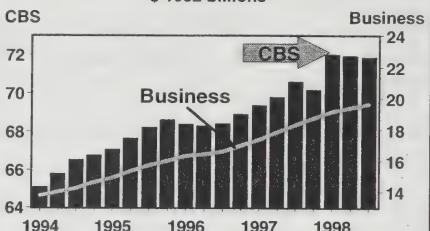
Education activity tumbled 2.6% as teachers from various school boards across the province

were on strike or locked out for a 21 day period in September.

Business services activity, which includes computer services, recorded the strongest gains in this sector, rising 1.4% in 1998:3. Amusement activity rose 1.2% in the third quarter, aided by the July expansion of the Windsor casino when their permanent facility opened.

### Community, Business & Personal Services GDP

\$ 1992 billions



### Work Stoppages Impair Residential Construction Activity

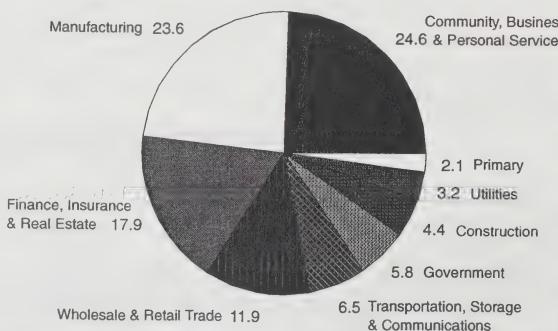
Construction activity dropped for the second consecutive quarter as a result of labour disruptions, down 1.3% in 1998:3. Six residential construction trades and crane and heavy equipment operators stopped working for varying lengths of time over the May 1<sup>st</sup> to September 14<sup>th</sup> period.

### Hot Summer Boosts Electrical Production

To offset record breaking warm temperatures in the summer of 1998, Ontarians turned on their air conditioners, increasing demand for electricity and natural gas. Utility production climbed 2.7% in the third quarter.

### Industrial Structure of Ontario Economy, 1997

% share



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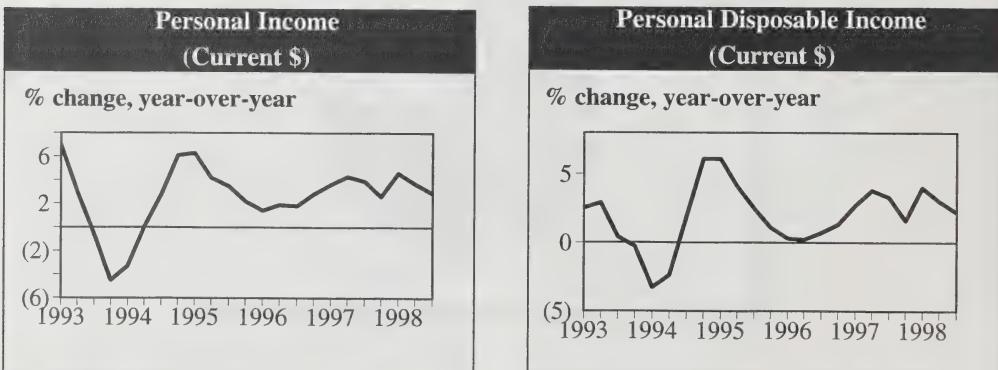
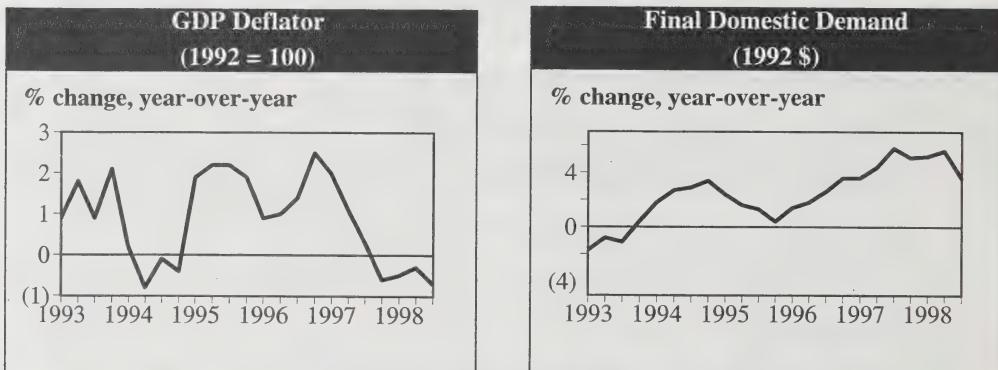
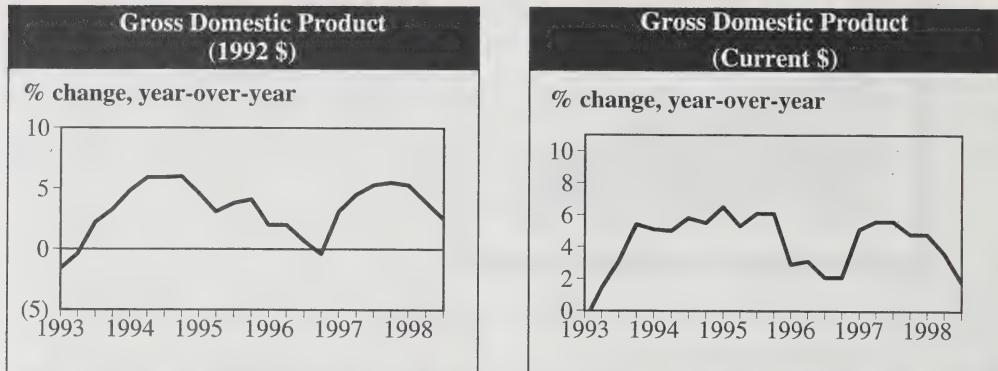
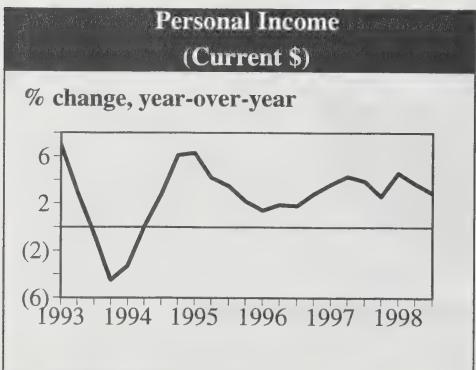
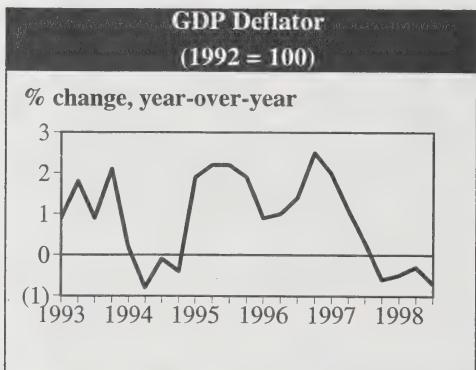
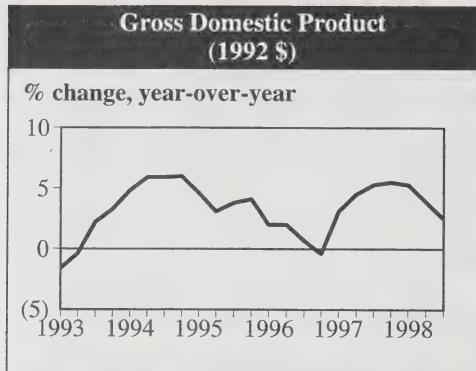
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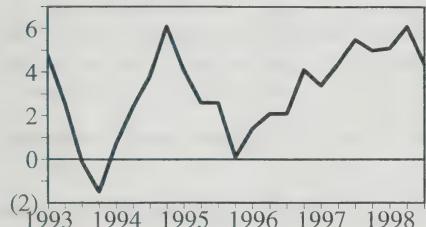
# Ontario Economic Accounts: Summary (1993:1 - 1998:3)



# Ontario Economic Accounts: Summary (1993:1 - 1998:3)

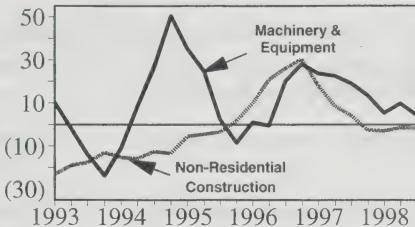
**Consumer Spending**  
(1992 \$)

% change, year-over-year



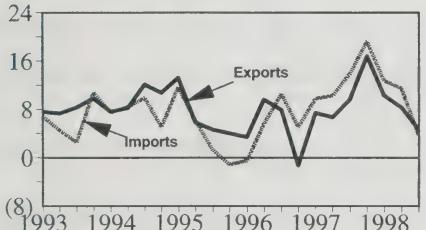
**Business Plant & Equipment**  
(1992 \$)

% change, year-over-year



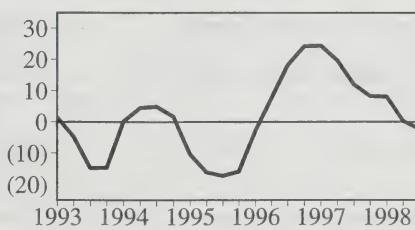
**Trade**  
(1992 \$)

% change, year-over-year



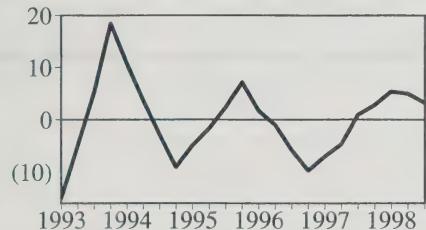
**Residential Construction**  
(1992 \$)

% change, year-over-year



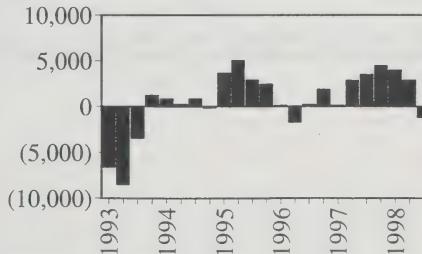
**Government Spending**  
(1992 \$)

% change, year-over-year



**Change in Inventories**  
(1992 \$)

millions



**ONTARIO GROSS DOMESTIC PRODUCT, (INCOME BASED)**

(\$ millions, seasonally adjusted at annual rates)

TABLE 1

	1993				1994			
	I	II	III	IV	I	II	III	IV
1. Wages, salaries and supplementary labour income ( <i>domestic basis</i> )	163,984 -0.4	164,684 0.4	164,593 -0.1	163,988 -0.4	163,513 -0.3	166,625 1.9	168,086 0.9	170,166 1.2
2. Corporation profits before taxes	16,217 18.2	16,495 1.7	17,316 5.0	20,710 19.6	23,809 15.0	26,840 12.7	28,799 7.3	32,401 12.5
3. Interest and miscellaneous investment income	17,541 -4.8	18,302 4.3	18,137 -0.9	17,401 -4.1	17,620 1.3	18,178 3.2	17,557 -3.4	15,647 -10.9
4. Accrued net income of farm operators from farm production	304 -8.8	295 -2.8	289 -2.3	310 7.4	3 -99.0	3 -3.3	2 -16.8	2 -5.1
5. Net income of non-farm unincorporated business including rent	16,720 2.0	17,117 2.4	17,502 2.2	17,874 2.1	17,946 0.4	18,327 2.1	18,675 1.9	18,923 1.3
6. Inventory valuation adjustment	-2,315	-360	-1,404	-1,146	-2,681	-3,439	-2,259	-2,647
7. Net Domestic Income at factor cost	212,451 0.2	216,533 1.9	216,433 0.0	219,137 1.2	220,210 0.5	226,534 2.9	230,860 1.9	234,492 1.6
8. Indirect taxes less subsidies	41,139 1.3	41,987 2.1	43,750 4.2	45,034 2.9	44,872 -0.4	44,242 -1.4	44,797 1.3	44,857 0.1
9. Capital consumption allowances and miscellaneous valuation adjustments	31,298 3.3	32,193 2.9	33,373 3.7	34,047 2.0	34,330 0.8	34,523 0.6	35,058 1.5	35,334 0.8
10. Gross Domestic Product at market prices	284,888 0.7	290,713 2.0	293,556 1.0	298,218 1.6	299,412 0.4	305,299 2.0	310,715 1.8	314,683 1.3
*	2.9	8.4	4.0	6.5	1.6	8.1	7.3	5.2

Notes: Per cent change from previous quarter at quarterly rates is given on the second line.

\* Annualized per cent change from previous quarter.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT, (INCOME BASED)**

(\$ millions, seasonally adjusted at annual rates)

**TABLE 1**

	1995				1996			
	I	II	III	IV	I	II	III	IV
1. Wages, salaries and supplementary labour income ( <i>domestic basis</i> )	171,313 0.7	171,636 0.2	174,379 1.6	175,573 0.7	174,694 -0.5	175,974 0.7	177,968 1.1	181,048 1.7
2. Corporation profits before taxes	32,987 1.8	32,251 -2.2	34,829 8.0	35,611 2.2	31,405 -11.8	31,124 -0.9	33,226 6.8	33,187 -0.1
3. Interest and miscellaneous investment income	17,379 11.1	17,005 -2.2	17,362 2.1	17,384 0.1	16,808 -3.3	16,625 -1.1	16,544 -0.5	16,673 0.8
4. Accrued net income of farm operators from farm production	15 524.0	132 794.4	414 214.0	770 86.1	179 -76.7	398 122.5	573 43.8	89 -84.4
5. Net income of non-farm unincorporated business including rent	19,064 0.7	19,196 0.7	19,352 0.8	19,550 1.0	19,851 1.5	20,367 2.6	20,807 2.2	21,193 1.9
6. Inventory valuation adjustment	-3,317	-1,013	-498	-130	-805	-396	-1,162	185
7. Net Domestic Income at factor cost	237,441 1.3	239,207 0.7	245,838 2.8	248,758 1.2	242,132 -2.7	244,092 0.8	247,956 1.6	252,375 1.8
8. Indirect taxes less subsidies	45,168 0.7	45,603 1.0	46,064 1.0	46,418 0.8	47,124 1.5	47,122 0.0	47,822 1.5	47,838 0.0
9. Capital consumption allowances and miscellaneous valuation adjustments	36,408 3.0	36,791 1.1	37,850 2.9	38,659 2.1	39,128 1.2	40,277 2.9	40,768 1.2	40,529 -0.6
10. Gross Domestic Product at market prices	319,017 1.4	321,601 0.8	329,752 2.5	333,835 1.2	328,384 -1.6	331,491 0.9	336,546 1.5	340,742 1.2
*	5.6	3.3	10.5	5.0	-6.4	3.8	6.2	5.1

Notes : Per cent change from previous quarter at quarterly rates is given on the second line.

\* Annualized per cent change from previous quarter.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT, (INCOME BASED)**  
(\$ millions, seasonally adjusted at annual rates)

TAB

	1997				1998		
	I	II	III	IV	I	II	III
	183,889 1.6	186,933 1.7	188,627 0.9	189,195 0.3	193,402 2.2	194,890 0.8	194,525 -0.2
2. Corporation profits before taxes	36,059 8.7	35,974 -0.2	37,528 4.3	37,254 -0.7	35,962 -3.5	34,462 -4.2	33,800 -2.5
3. Interest and miscellaneous investment income	15,732 -5.6	14,916 -5.2	14,475 -3.0	14,067 -2.8	12,998 -7.6	12,688 -2.4	13,153 3.7
4. Accrued net income of farm operators from farm production	115 29.3	215 86.2	244 13.3	405 66.4	299 -26.2	374 25.0	269 -28.2
5. Net income of non-farm unincorporated business including rent	21,688 2.3	22,305 2.8	22,894 2.6	23,294 1.7	23,810 2.2	23,980 0.7	24,155 0.7
6. Inventory valuation adjustment	-437	-1,121	-952	-915	583	-194	-762
7. Net Domestic Income at factor cost	257,046 1.9	259,222 0.8	262,816 1.4	263,300 0.2	267,054 1.4	266,200 -0.3	264,940 -0.5
8. Indirect taxes less subsidies	48,073 0.5	49,518 3.0	50,814 2.6	52,057 2.4	52,198 0.3	53,738 2.9	53,487 -0.5
9. Capital consumption allowances and miscellaneous valuation adjustments	40,092 -1.1	41,354 3.1	41,871 1.3	41,788 -0.2	42,387 1.4	42,926 1.3	43,609 1.6
10. Gross Domestic Product at market prices	345,211 1.3	350,094 1.4	355,501 1.5	357,145 0.5	361,639 1.3	362,864 0.3	362,036 -0.2
*	5.4	5.8	6.3	1.9	5.1	1.4	-0.9

**Notes:** Per cent change from previous quarter at quarterly rates is given on the second line.

\* Annualized per cent change from previous quarter.

**Sources:** Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

## ONTARIO GROSS DOMESTIC PRODUCT, (EXPENDITURE BASED)

(millions, seasonally adjusted at annual rates)

TABLE 2

	1993				1994			
	I	II	III	IV	I	II	III	IV
1. Personal expenditure on consumer goods and services:	168,615 0.3	169,145 0.3	169,673 0.3	170,753 0.6	172,909 1.3	174,793 1.1	176,653 1.1	180,107 2.0
2. Goods	77,502 -0.1	76,983 -0.7	76,460 -0.7	76,590 0.2	77,505 1.2	77,879 0.5	78,532 0.8	80,497 2.5
3. Services	91,113 0.7	92,162 1.2	93,213 1.1	94,163 1.0	95,404 1.3	96,914 1.6	98,121 1.2	99,610 1.5
4. Government expenditure on goods and services:	65,420 5.0	68,513 4.7	71,836 4.9	74,937 4.3	72,851 -2.8	71,146 -2.3	69,131 -2.8	67,502 -2.4
5. Current expenditure	59,126 5.6	62,164 5.1	65,411 5.2	68,440 4.6	66,142 -3.4	64,096 -3.1	61,648 -3.8	59,466 -3.5
6. Capital expenditure	6,294 0.2	6,349 0.9	6,425 1.2	6,497 1.1	6,709 3.3	7,050 5.1	7,483 6.1	8,036 7.4
7. Business gross fixed capital formation:	39,627 -6.8	38,246 -3.5	37,337 -2.4	37,038 -0.8	38,532 4.0	40,470 5.0	41,465 2.5	42,785 3.2
8. Residential construction	14,912 -11.1	14,736 -1.2	14,488 -1.7	14,700 1.5	15,284 4.0	15,780 3.2	15,424 -2.3	15,240 -1.2
9. Non-residential construction	8,424 -3.1	8,234 -2.3	7,927 -3.7	7,788 -1.8	7,339 -5.8	7,236 -1.4	7,240 0.1	7,032 -2.9
10. Machinery and equipment	16,291 -4.4	15,276 -6.2	14,922 -2.3	14,550 -2.5	15,909 9.3	17,454 9.7	18,801 7.7	20,513 9.1
11. Exports of goods and services	155,808 1.3	160,143 2.8	161,183 0.6	173,187 7.4	171,007 -1.3	182,685 6.8	189,375 3.7	200,038 5.6
12. DEDUCT: Imports of goods and services	140,030 0.7	141,993 1.4	142,749 0.5	160,314 12.3	156,757 -2.2	164,093 4.7	166,692 1.6	175,901 5.5
13. Value of physical change in inventories:	-6,290 -6,390	-5,126 -5,272	-5,139 -5,180	1,466 1,408	258 414	-357 -251	259 466	-487 -76
14. Non-farm	100	146	41	58	-156	-106	-207	-411
15. Farm and grain in commercial channels	1,738	1,785	1,415	1,151	613	655	524	639
16. Statistical discrepancy	284,888 0.7	290,713 2.0	293,556 1.0	298,218 1.6	299,412 0.4	305,299 2.0	310,715 1.8	314,683 1.3
17. Gross Domestic Product at market prices	283,385 0.0	285,409 0.7	289,515 1.4	292,666 1.1	297,115 1.5	302,190 1.7	306,678 1.5	310,172 1.1
* Gross Domestic Product at 1992 prices	0.0	2.9	5.9	4.4	6.2	7.0	6.1	4.6

**Notes:** Per cent change from previous quarter at quarterly rates is given on the second line.

\* Annualized per cent change from previous quarter.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT, (EXPENDITURE BASED)**  
(\$ millions, seasonally adjusted at annual rates)

TABLE

	1995				1996			
	I	II	III	IV	I	II	III	
1. Personal expenditure on consumer goods and services:	181,233 0.6	182,035 0.4	184,209 1.2	183,280 -0.5	186,014 1.5	187,702 0.9	189,894 1.2	193,511 1
2. Goods	81,250 0.9	81,084 -0.2	81,897 1.0	80,300 -2.0	81,535 1.5	82,587 1.3	83,446 1.0	85,611 2
3. Services	99,983 0.4	100,951 1.0	102,312 1.3	102,980 0.7	104,479 1.5	105,115 0.6	106,448 1.3	107,800 1
4. Government expenditure on goods and services:	69,203 2.5	70,540 1.9	71,254 1.0	72,806 2.2	70,373 -3.3	69,732 -0.9	67,450 -3.3	66,611 -1
5. Current expenditure	61,282 3.1	62,803 2.5	63,413 1.0	64,970 2.5	62,648 -3.6	62,378 -0.4	60,493 -3.0	59,731 -1
6. Capital expenditure	7,921 -1.4	7,737 -2.3	7,841 1.3	7,836 -0.1	7,725 -1.4	7,354 -4.8	6,957 -5.4	6,831 -1
7. Business gross fixed capital formation:	41,445 -3.1	41,933 1.2	39,451 -5.9	39,106 -0.9	42,206 7.9	43,760 3.7	46,700 6.7	49,001 5
8. Residential construction	13,800 -9.4	13,344 -3.3	13,108 -1.8	12,908 -1.5	13,540 4.9	14,400 6.4	15,216 5.7	15,961 4
9. Non-residential construction	7,140 1.5	7,015 -1.7	7,072 0.8	7,230 2.2	7,923 9.6	8,552 7.9	8,947 4.6	9,361 4
10. Machinery and equipment	20,505 0.0	21,574 5.2	19,271 -10.7	18,968 -1.6	20,743 9.4	20,808 0.3	22,537 8.3	23,751 5
11. Exports of goods and services	205,603 2.8	199,600 -2.9	202,915 1.7	214,668 5.8	216,248 0.7	219,587 1.5	220,781 0.5	211,801 -4
12. DEDUCT: Imports of goods and services	183,598 4.4	177,713 -3.2	171,823 -3.3	178,638 4.0	184,519 3.3	186,680 1.2	187,226 0.3	182,701 -2
13. Value of physical change in inventories:	5,030	5,208	3,747	2,806	-411	-1,118	-298	2,071
14. Non-farm	5,099	5,104	3,617	2,815	-320	-1,087	-265	2,271
15. Farm and grain in commercial channels	-69	104	130	-9	-91	-31	-33	-19
16. Statistical discrepancy	101	-2	-1	-193	-1,527	-1,492	-755	351
17. Gross Domestic Product at market prices	319,017 1.4	321,601 0.8	329,752 2.5	333,835 1.2	328,384 -1.6	331,491 0.9	336,546 1.5	340,741 1.2
18. Gross Domestic Product at 1992 prices	310,667 0.2	311,419 0.2	318,434 2.3	322,921 1.4	317,026 -1.8	317,781 0.2	320,598 0.9	321,611 0.3
*	0.6	1.0	9.3	5.8	-7.1	1.0	3.6	1.

Notes: Per cent change from previous quarter at quarterly rates is given on the second line.

\* Annualized per cent change from previous quarter.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT, (EXPENDITURE BASED)**  
(\$ millions, seasonally adjusted at annual rates)

TABLE 2

	1997				1998			
	I	II	III	IV	I	II	III	IV
1. Personal expenditure on consumer goods and services:	195,545	199,045	203,169	205,648	206,789	212,172	213,884	
	1.0	1.8	2.1	1.2	0.6	2.6	0.8	
2. Goods	86,218	88,002	90,361	91,755	91,816	95,203	95,889	
	0.7	2.1	2.7	1.5	0.1	3.7	0.7	
3. Services	109,327	111,043	112,808	113,893	114,973	116,969	117,995	
	1.3	1.6	1.6	1.0	0.9	1.7	0.9	
4. Government expenditure on goods and services:	66,430	66,835	68,461	68,365	69,824	70,383	70,687	
	-0.3	0.6	2.4	-0.1	2.1	0.8	0.4	
5. Current expenditure	60,000	60,618	62,493	62,680	63,746	63,845	64,036	
	0.4	1.0	3.1	0.3	1.7	0.2	0.3	
6. Capital expenditure	6,430	6,217	5,968	5,689	6,078	6,538	6,651	
	-6.1	-3.3	-4.0	-4.7	6.8	7.6	1.7	
7. Business gross fixed capital formation:	51,376	52,609	54,133	55,053	55,170	55,587	55,156	
	4.7	2.4	2.9	1.7	0.2	0.8	-0.8	
8. Residential construction	16,956	17,664	17,564	17,918	19,056	18,332	17,692	
	6.2	4.2	-0.6	2.0	6.4	-3.8	-3.5	
9. Non-residential construction	9,365	9,381	9,427	9,389	9,333	9,454	9,574	
	0.0	0.2	0.5	-0.4	-0.6	1.3	1.3	
10. Machinery and equipment	25,055	25,564	27,142	27,748	26,781	27,801	27,890	
	5.5	2.0	6.2	2.2	-3.5	3.8	0.3	
11. Exports of goods and services	228,737	233,774	238,263	245,590	251,952	252,374	253,350	
	8.0	2.2	1.9	3.1	2.6	0.2	0.4	
12. DEDUCT: Imports of goods and services	197,146	205,952	213,361	223,616	226,831	230,652	230,056	
	7.9	4.5	3.6	4.8	1.4	1.7	-0.3	
13. Value of physical change in inventories:	461	3,704	4,412	5,379	4,533	2,987	-633	
14. Non-farm	511	3,926	4,692	5,538	4,569	2,970	-547	
15. Farm and grain in commercial channels	-50	-222	-280	-159	-36	17	-86	
16. Statistical discrepancy	-192	79	424	722	202	13	-352	
17. Gross Domestic Product at market prices	345,211	350,094	355,501	357,145	361,639	362,864	362,036	
	1.3	1.4	1.5	0.5	1.3	0.3	-0.2	
18. Gross Domestic Product at 1992 prices	326,706	332,020	337,504	339,167	343,898	345,030	345,997	
	1.6	1.6	1.7	0.5	1.4	0.3	0.3	
*	6.5	6.7	6.8	2.0	5.7	1.3	1.1	

Notes: Per cent change from previous quarter at quarterly rates is given on the second line.

\* Annualized per cent change from previous quarter.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

## ONTARIO GROSS DOMESTIC PRODUCT AT 1992 PRICES

(\$ millions, seasonally adjusted at annual rates)

TABLE

	1993				1994			
	I	II	III	IV	I	II	III	
1. Personal expenditure on consumer goods and services	166,147	165,472	164,528	164,224	167,245	169,471	170,822	174,122
	-0.4	-0.4	-0.6	-0.2	1.8	1.3	0.8	2.0
2. Goods	76,734	75,995	74,814	74,287	76,472	77,956	78,689	80,822
	-0.7	-1.0	-1.6	-0.7	2.9	1.9	0.9	2.0
3. Services	89,413	89,477	89,714	89,937	90,773	91,515	92,133	93,300
	-0.1	0.1	0.3	0.2	0.9	0.8	0.7	1.1
4. Government expenditure on goods and services:	65,001	67,872	70,717	73,783	71,870	70,407	68,642	67,022
	4.4	4.4	4.2	4.3	-2.6	-2.0	-2.5	-2.0
5. Current expenditure	58,656	61,548	64,381	67,363	65,228	63,462	61,320	59,222
	5.1	4.9	4.6	4.6	-3.2	-2.7	-3.4	-3.0
6. Capital expenditure	6,345	6,324	6,336	6,420	6,642	6,945	7,322	7,842
	-1.5	-0.3	0.2	1.3	3.5	4.6	5.4	7.1
7. Business gross fixed capital formation:	39,750	37,912	36,254	35,387	36,683	38,591	39,844	41,402
	-7.9	-4.6	-4.4	-2.4	3.7	5.2	3.2	3.3
8. Residential construction	14,853	14,619	14,232	14,384	14,868	15,276	14,931	14,622
	-11.9	-1.6	-2.6	1.1	3.4	2.7	-2.3	-2.0
9. Non-residential construction	8,291	8,108	7,742	7,568	7,030	6,833	6,782	6,562
	-4.6	-2.2	-4.5	-2.2	-7.1	-2.8	-0.7	-3.0
10. Machinery and equipment	16,606	15,185	14,280	13,435	14,785	16,482	18,131	20,212
	-5.8	-8.6	-6.0	-5.9	10.1	11.5	10.0	11.1
11. Exports of goods and services	152,604	156,543	156,034	166,847	164,272	169,309	174,861	184,702
	0.5	2.6	-0.3	6.9	-1.5	3.1	3.3	5.0
12. DEDUCT: Imports of goods and services	134,644	134,975	135,051	149,547	144,743	146,251	148,434	157,192
	-0.3	0.2	0.1	10.7	-3.2	1.0	1.5	5.5
13. Value of physical change in inventories:	-6,606	-8,471	-3,444	1,205	822	226	838	-102
14. Non-farm	-6,166	-7,826	-2,819	1,682	687	-472	591	-282
15. Farm and grain in commercial channels	-440	-645	-625	-477	135	698	247	172
16. Statistical discrepancy	1,133	1,056	477	767	966	437	105	122
17. Gross Domestic Product at 1992 prices	283,385	285,409	289,515	292,666	297,115	302,190	306,678	310,172
	0.0	0.7	1.4	1.1	1.5	1.7	1.5	1.1
*	0.0	2.9	5.9	4.4	6.2	7.0	6.1	4.6
18. Final domestic demand	270,898	271,257	271,499	273,392	275,799	278,469	279,308	282,642
	-0.5	0.1	0.1	0.7	0.9	1.0	0.3	1.2

Notes: Per cent change from previous quarter at quarterly rates is given on the second line.

\* Annualized per cent change from previous quarter.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

## ONTARIO GROSS DOMESTIC PRODUCT AT 1992 PRICES

(\$ millions, seasonally adjusted at annual rates)

TABLE 3

	1995				1996			
	I	II	III	IV	I	II	III	IV
1. Personal expenditure on consumer goods and services	174,027 -0.1	173,840 -0.1	175,317 0.8	174,409 -0.5	176,412 1.1	177,436 0.6	178,971 0.9	181,481 1.4
2. Goods	80,847 0.0	80,281 -0.7	80,847 0.7	79,584 -1.6	80,647 1.3	81,527 1.1	82,375 1.0	84,202 2.2
3. Services	93,180 -0.2	93,559 0.4	94,470 1.0	94,825 0.4	95,765 1.0	95,909 0.2	96,596 0.7	97,279 0.7
4. Government expenditure on goods and services:	68,289 1.8	69,199 1.3	70,215 1.5	71,886 2.4	69,474 -3.4	68,494 -1.4	66,106 -3.5	64,864 -1.9
5. Current expenditure	60,636 2.4	61,752 1.8	62,661 1.5	64,263 2.6	61,967 -3.6	61,396 -0.9	59,365 -3.3	58,245 -1.9
6. Capital expenditure	7,653 -2.4	7,447 -2.7	7,554 1.4	7,623 0.9	7,507 -1.5	7,098 -5.5	6,741 -5.0	6,619 -1.8
7. Business gross fixed capital formation:	39,966 -3.5	39,898 -0.2	37,469 -6.1	37,468 0.0	40,438 7.9	42,144 4.2	45,156 7.1	47,665 5.6
8. Residential construction	13,333 -8.8	12,818 -3.9	12,354 -3.6	12,293 -0.5	12,945 5.3	13,807 6.7	14,603 5.8	15,280 4.6
9. Non-residential construction	6,648 1.3	6,533 -1.7	6,549 0.2	6,688 2.1	7,316 9.4	7,897 7.9	8,261 4.6	8,725 5.6
10. Machinery and equipment	19,985 -1.1	20,547 2.8	18,566 -9.6	18,487 -0.4	20,177 9.1	20,440 1.3	22,292 9.1	23,660 6.1
11. Exports of goods and services	185,897 0.6	179,174 -3.6	182,971 2.1	192,183 5.0	192,220 0.0	196,410 2.2	197,478 0.5	189,620 -4.0
12. DEDUCT: Imports of goods and services	161,618 2.8	155,208 -4.0	150,327 -3.1	155,473 3.4	160,730 3.4	164,042 2.1	166,275 1.4	163,423 -1.7
13. Value of physical change in inventories:	3,640	5,012	2,904	2,409	115	-1,701	184	1,841
14. Non-farm	3,606	4,964	2,855	2,429	152	-1,668	109	1,676
15. Farm and grain in commercial channels	34	48	49	-20	-37	-33	75	165
16. Statistical discrepancy	466	-496	-115	39	-903	-960	-1,022	-429
17. Gross Domestic Product at 1992 prices	310,667 0.2	311,419 0.2	318,434 2.3	322,921 1.4	317,026 -1.8	317,781 0.2	320,598 0.9	321,619 0.3
*	0.6	1.0	9.3	5.8	-7.1	1.0	3.6	1.3
18. Final domestic demand	282,282 -0.1	282,938 0.2	283,001 0.0	283,764 0.3	286,324 0.9	288,074 0.6	290,234 0.7	294,011 1.3

Notes: Per cent change from previous quarter at quarterly rates is given on the second line.

\* Annualized per cent change from previous quarter.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

## ONTARIO GROSS DOMESTIC PRODUCT AT 1992 PRICES

(\$ millions, seasonally adjusted at annual rates)

TABLE

	1997				1998		
	I	II	III	IV	I	II	III
1. Personal expenditure on consumer goods and services	182,413	185,179	188,818	190,520	191,797	196,397	197,057
	0.5	1.5	2.0	0.9	0.7	2.4	0.3
2. Goods	84,362	85,856	87,644	88,738	89,142	92,700	93,187
	0.2	1.8	2.1	1.2	0.5	4.0	0.5
3. Services	98,051	99,323	101,174	101,782	102,655	103,697	103,870
	0.8	1.3	1.9	0.6	0.9	1.0	0.2
4. Government expenditure on goods and services:	64,573	65,285	66,670	66,665	68,081	68,569	68,796
	-0.4	1.1	2.1	0.0	2.1	0.7	0.3
5. Current expenditure	58,366	59,255	60,910	61,210	62,191	62,227	62,352
	0.2	1.5	2.8	0.5	1.6	0.1	0.2
6. Capital expenditure	6,207	6,030	5,760	5,455	5,890	6,342	6,444
	-6.2	-2.8	-4.5	-5.3	8.0	7.7	1.6
7. Business gross fixed capital formation:	49,705	50,178	51,529	51,895	52,111	52,595	52,139
	4.3	1.0	2.7	0.7	0.4	0.9	-0.9
8. Residential construction	16,103	16,524	16,354	16,528	17,403	16,590	15,982
	5.4	2.6	-1.0	1.1	5.3	-4.7	-3.7
9. Non-residential construction	8,647	8,591	8,617	8,505	8,400	8,479	8,488
	-0.9	-0.7	0.3	-1.3	-1.2	0.9	0.1
10. Machinery and equipment	24,955	25,063	26,558	26,862	26,308	27,526	27,669
	5.5	0.4	6.0	1.1	-2.1	4.6	0.5
11. Exports of goods and services	206,442	209,663	216,406	221,452	227,805	227,159	226,408
	8.9	1.6	3.2	2.3	2.9	-0.3	-0.3
12. DEDUCT: Imports of goods and services	176,496	180,977	189,318	194,957	199,149	201,795	196,294
	8.0	2.5	4.6	3.0	2.2	1.3	-2.7
13. Value of physical change in inventories:	121	2,832	3,491	4,452	3,980	2,870	-1,152
14. Non-farm	222	2,980	3,721	4,596	4,012	2,840	-1,085
15. Farm and grain in commercial channels	-101	-148	-230	-144	-32	30	-67
16. Statistical discrepancy	-52	-140	-92	-860	-727	-765	-957
17. Gross Domestic Product at 1992 prices	326,706	332,020	337,504	339,167	343,898	345,030	345,997
	1.6	1.6	1.7	0.5	1.4	0.3	0.3
*	6.5	6.7	6.8	2.0	5.7	1.3	1.1
18. Final domestic demand	296,690	300,642	307,016	309,079	311,989	317,560	317,991
	0.9	1.3	2.1	0.7	0.9	1.8	0.1

Notes: Per cent change from previous quarter at quarterly rates is given on the second line.

\* Annualized per cent change from previous quarter.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**SOURCES AND DISPOSITION OF ONTARIO PERSONAL INCOME**  
 (\$ millions, seasonally adjusted at annual rates)

TABLE 4

	1993				1994			
	I	II	III	IV	I	II	III	IV
1. Wages, salaries and supplementary labour income (national basis)	161,672 -0.4	162,361 0.4	162,271 -0.1	161,675 -0.4	161,207 -0.3	164,275 1.9	165,715 0.9	167,765 1.2
2. Net income of farm operators from farm production	289 -8.8	281 -2.8	274 -2.3	295 7.4	3 -99.0	3 -3.3	2 -16.8	2 -5.1
3. Net income of non-farm unincorporated business including rent	16,720 2.0	17,117 2.4	17,502 2.2	17,874 2.1	17,946 0.4	18,327 2.1	18,675 1.9	18,923 1.3
4. Interest, dividends and miscellaneous investment income	38,790 -4.2	36,574 -5.7	35,097 -4.0	33,086 -5.7	33,495 1.2	34,658 3.5	36,456 5.2	37,570 3.1
5. Current transfers from government, corporations and non-residents	42,089 -1.3	40,178 -4.5	38,756 -3.5	37,409 -3.5	38,231 2.2	39,127 2.3	40,238 2.8	41,351 2.8
6. Equals: Personal income	259,560 -1.0	256,511 -1.2	253,900 -1.0	250,339 -1.4	250,882 0.2	256,390 2.2	261,086 1.8	265,611 1.7
7. Deduct: Personal direct taxes	43,538 -7.8	39,275 -9.8	39,017 -0.7	38,538 -1.2	38,002 -1.4	40,336 6.1	42,692 5.8	44,787 4.9
8. Other current transfers to government	16,053 -20.7	15,296 -4.7	17,536 14.6	17,733 1.1	19,474 9.8	18,907 -2.9	17,238 -8.8	14,930 -13.4
9. Equals: Personal disposable income	199,969 2.7	201,940 1.0	197,347 -2.3	194,068 -1.7	193,406 -0.3	197,147 1.9	201,156 2.0	205,894 2.4
10. Deduct: Personal expenditure on consumer goods and services	168,615 0.3	169,145 0.3	169,673 0.3	170,753 0.6	172,909 1.3	174,793 1.1	176,653 1.1	180,107 2.0
11. Current transfers to corporations	2,375 16.2	2,552 7.5	2,682 5.1	3,150 17.4	2,709 -14.0	2,615 -3.5	3,053 16.8	2,895 -5.2
12. Current transfers to non-residents	339 11.2	361 6.6	378 4.6	399 5.6	400 0.2	391 -2.1	384 -1.9	374 -2.6
13. Equals: Personal saving	28,640 18.2	29,882 4.3	24,614 -17.6	19,766 -19.7	17,388 -12.0	19,348 11.3	21,066 8.9	22,518 6.9
14. Personal savings rate	14.3	14.8	12.5	10.2	9.0	9.8	10.5	10.9

Note: Per cent change from previous quarter at quarterly rates is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**SOURCES AND DISPOSITION OF ONTARIO PERSONAL INCOME**  
*(*\$ millions, seasonally adjusted at annual rates*)*

TABLE

	1995				1996			
	I	II	III	IV	I	II	III	
1. Wages, salaries and supplementary labour income ( <i>national basis</i> )	168,896 0.7	169,215 0.2	171,920 1.6	173,097 0.7	172,230 -0.5	173,492 0.7	175,457 1.1	178,4
2. Net income of farm operators from farm production	14 524.0	125 794.4	393 214.0	732 86.1	170 -76.7	379 122.5	545 43.8	-8
3. Net income of non-farm unincorporated business including rent	19,064 0.7	19,196 0.7	19,352 0.8	19,550 1.0	19,851 1.5	20,367 2.6	20,807 2.2	21,1
4. Interest, dividends and miscellaneous investment income	38,022 1.2	38,836 2.1	39,159 0.8	39,325 0.4	38,688 -1.6	38,058 -1.6	38,377 0.8	38,7
5. Current transfers from government, corporations and non-residents	40,789 -1.4	39,780 -2.5	39,517 -0.7	38,673 -2.1	39,508 2.2	39,907 1.0	39,988 0.2	40,5
6. Equals: Personal income	266,785 0.4	267,152 0.1	270,341 1.2	271,377 0.4	270,447 -0.3	272,203 0.6	275,174 1.1	279,0
7. Deduct: Personal direct taxes	44,058 -1.6	43,917 -0.3	44,430 1.2	43,819 -1.4	45,646 4.2	47,987 5.1	48,817 1.7	50,3
8. Other current transfers to government	17,474 17.0	18,089 3.5	19,770 9.3	19,352 -2.1	18,889 -2.4	18,657 -1.2	18,697 0.2	17,8
9. Equals: Personal disposable income	205,253 -0.3	205,146 -0.1	206,141 0.5	208,206 1.0	205,912 -1.1	205,559 -0.2	207,660 1.0	210,9
10. Deduct: Personal expenditure on consumer goods and services	181,233 0.6	182,035 0.4	184,209 1.2	183,280 -0.5	186,014 1.5	187,702 0.9	189,894 1.2	193,5
11. Current transfers to corporations	3,306 14.2	3,799 14.9	4,015 5.7	4,017 0.0	3,757 -6.5	3,573 -4.9	3,466 -3.0	3,34
12. Current transfers to non-residents	393 5.1	395 0.5	406 2.9	413 1.7	419 1.3	412 -1.7	409 -0.7	40
13. Equals: Personal saving	20,321 -9.8	18,917 -6.9	17,511 -7.4	20,496 17.0	15,722 -23.3	13,872 -11.8	13,891 0.1	13,64
14. Personal savings rate	9.9	9.2	8.5	9.8	7.6	6.7	6.7	6

Note: Per cent change from previous quarter at quarterly rates is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**SOURCES AND DISPOSITION OF ONTARIO PERSONAL INCOME**

(\$ millions, seasonally adjusted at annual rates)

TABLE 4

	1997				1998			
	I	II	III	IV	I	II	III	IV
1. Wages, salaries and supplementary labour income ( <i>national basis</i> )	181,295 1.6	184,297 1.7	185,966 0.9	186,526 0.3	190,675 2.2	192,141 0.8	191,781 -0.2	
2. Net income of farm operators from farm production	110 29.3	204 86.2	232 13.3	385 66.4	285 -26.2	356 25.0	255 -28.2	
3. Net income of non-farm unincorporated business including rent	21,688 2.3	22,305 2.8	22,894 2.6	23,294 1.7	23,810 2.2	23,980 0.7	24,155 0.7	
4. Interest, dividends and miscellaneous investment income	37,089 -4.4	36,731 -1.0	36,792 0.2	36,610 -0.5	36,875 0.7	37,148 0.7	37,434 0.8	
5. Current transfers from government, corporations and non-residents	40,103 -1.0	40,454 0.9	39,984 -1.2	39,563 -1.1	41,551 5.0	40,992 -1.3	40,419 -1.4	
6. Equals: Personal income	280,285 0.4	283,991 1.3	285,868 0.7	286,378 0.2	293,196 2.4	294,617 0.5	294,044 -0.2	
7. Deduct: Personal direct taxes	50,830 1.0	51,452 1.2	51,686 0.5	52,173 0.9	53,078 1.7	54,326 2.4	54,435 0.2	
8. Other current transfers to government	18,008 0.8	19,089 6.0	19,771 3.6	19,852 0.4	20,169 1.6	20,413 1.2	20,537 0.6	
9. Equals: Personal disposable income	211,447 0.3	213,450 0.9	214,411 0.5	214,353 0.0	219,949 2.6	219,878 0.0	219,072 -0.4	
0. Deduct: Personal expenditure on consumer goods and services	195,545 1.0	199,045 1.8	203,169 2.1	205,648 1.2	206,789 0.6	212,172 2.6	213,884 0.8	
1. Current transfers to corporations	2,815 -15.8	2,696 -4.2	2,768 2.7	3,045 10.0	3,224 5.9	3,353 4.0	3,491 4.1	
2. Current transfers to non-residents	422 3.9	428 1.4	440 2.7	449 2.1	469 4.5	474 1.0	474 0.0	
3. Equals: Personal saving	12,665 -7.1	11,281 -10.9	8,034 -28.8	5,211 -35.1	9,467 81.7	3,879 -59.0	1,223 -68.5	
4. Personal savings rate	6.0	5.3	3.7	2.4	4.3	1.8	0.6	

Note: Per cent change from previous quarter at quarterly rates is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO TRADE**

(\$ millions, seasonally adjusted at annual rates)

TABLE 5

	1993				1994			
	I	II	III	IV	I	II	III	IV
1. Exports of Goods and Services								
	155,808	160,143	161,183	173,187	171,007	182,685	189,375	200,038
	1.3	2.8	0.6	7.4	-1.3	6.8	3.7	5.6
2. Of Which: International								
	101,708	106,060	106,388	117,538	115,576	125,526	130,248	139,828
	2.9	4.3	0.3	10.5	-1.7	8.6	3.8	7.4
3. Goods								
	88,848	92,474	92,018	102,160	100,030	109,194	113,868	122,840
	3.0	4.1	-0.5	11.0	-2.1	9.2	4.3	7.9
4. Services								
	12,860	13,586	14,370	15,378	15,546	16,332	16,380	16,988
	2.1	5.6	5.8	7.0	1.1	5.1	0.3	3.7
5. Of Which: Interprovincial goods and services								
	54,100	54,083	54,795	55,649	55,431	57,159	59,127	60,210
	-1.6	0.0	1.3	1.6	-0.4	3.1	3.4	1.8
6. Imports of Goods and Services								
	140,030	141,993	142,749	160,314	156,757	164,093	166,692	175,901
	0.7	1.4	0.5	12.3	-2.2	4.7	1.6	5.5
7. Trade Balance								
	15,778	18,150	18,434	12,873	14,250	18,532	22,683	24,137

Note:

Per cent change from previous quarter at quarterly rates is given on the second line.

Source: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO TRADE**  
 (\$ millions, seasonally adjusted at annual rates)

TABLE 5

	1995				1996			
	I	II	III	IV	I	II	III	IV
1. Exports of Goods and Services	205,603	199,600	202,915	214,668	216,248	219,587	220,781	211,805
	2.8	-2.9	1.7	5.8	0.7	1.5	0.5	-4.1
2. Of Which: International	146,008	140,736	142,800	153,528	154,898	157,572	157,232	147,156
	4.4	-3.6	1.5	7.5	0.9	1.7	-0.2	-6.4
3. Goods	128,348	123,044	124,780	133,706	134,938	137,344	137,076	125,630
	4.5	-4.1	1.4	7.2	0.9	1.8	-0.2	-8.4
4. Services	17,660	17,682	18,020	19,822	19,960	20,228	20,156	21,526
	4.0	0.2	1.9	10.0	0.7	1.3	-0.4	6.8
5. Of Which: Interprovincial goods and services	59,595	58,864	60,115	61,140	61,350	62,015	63,549	64,649
	-1.0	-1.2	2.1	1.7	0.3	1.1	2.5	1.7
6. Imports of Goods and Services	183,598	177,713	171,823	178,638	184,519	186,680	187,226	182,707
	4.4	-3.2	-3.3	4.0	3.3	1.2	0.3	-2.4
7. Trade Balance	22,005	21,887	31,092	36,030	31,729	32,907	33,555	29,098

Note: Per cent change from previous quarter at quarterly rates is given on the second line.

Source: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

*Ontario Economic Accounts, Quarterly Data*

**ONTARIO TRADE**  
 (\$ millions, seasonally adjusted at annual rates)

TABLE 5

	1997				1998			
	I	II	III	IV	I	II	III	IV
1. Exports of Goods and Services								
228,737	233,774	238,263	245,590	251,952	252,374	253,350		
8.0	2.2	1.9	3.1	2.6	0.2	0.4		
2. Of Which: International								
162,878	167,000	169,936	176,922	183,136	182,136	183,470		
10.7	2.5	1.8	4.1	3.5	-0.5	0.7		
3. Goods								
141,226	144,748	147,826	154,442	160,296	158,548	161,054		
12.4	2.5	2.1	4.5	3.8	-1.1	1.6		
4. Services								
21,652	22,252	22,110	22,480	22,840	23,588	22,416		
0.6	2.8	-0.6	1.7	1.6	3.3	-5.0		
5. Of Which: Interprovincial goods and services								
65,859	66,774	68,327	68,668	68,816	70,238	69,880		
1.9	1.4	2.3	0.5	0.2	2.1	-0.5		
6. Imports of Goods and Services								
197,146	205,952	213,361	223,616	226,831	230,652	230,056		
7.9	4.5	3.6	4.8	1.4	1.7	-0.3		
7. Trade Balance								
31,591	27,822	24,902	21,974	25,121	21,722	23,294		

Note: Per cent change from previous quarter at quarterly rates is given on the second line.

Source: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

## ONTARIO DEFATORS

(1992 = 100)

TABLE 6

	1993				1994			
	I	II	III	IV	I	II	III	IV
1. Personal expenditure on consumer goods and services:	101.5 0.7	102.2 0.7	103.1 0.9	104.0 0.8	103.4 -0.6	103.1 -0.2	103.4 0.3	103.4 0.0
2. Goods	101.0 0.6	101.3 0.3	102.2 0.9	103.1 0.9	101.4 -1.7	99.9 -1.4	99.8 -0.1	99.6 -0.2
3. Services	101.9 0.8	103.0 1.1	103.9 0.9	104.7 0.8	105.1 0.4	105.9 0.8	106.5 0.6	106.7 0.2
4. Government expenditure on goods and services:	100.6 0.6	100.9 0.3	101.6 0.6	101.6 0.0	101.4 -0.2	101.0 -0.3	100.7 -0.3	100.6 -0.1
5. Current expenditure	100.8 0.4	101.0 0.2	101.6 0.6	101.6 0.0	101.4 -0.2	101.0 -0.4	100.5 -0.5	100.4 -0.1
6. Capital expenditure	99.2 1.7	100.4 1.2	101.4 1.0	101.2 -0.2	101.0 -0.2	101.5 0.5	102.2 0.7	102.5 0.3
7. Business gross fixed capital formation:	99.7 1.3	100.9 1.2	103.0 2.1	104.7 1.6	105.0 0.4	104.9 -0.2	104.1 -0.8	103.3 -0.7
8. Residential construction	100.4 0.9	100.8 0.4	101.8 1.0	102.2 0.4	102.8 0.6	103.3 0.5	103.3 0.0	104.2 0.9
9. Non-residential construction	101.6 1.6	101.6 0.0	102.4 0.8	102.9 0.5	104.4 1.5	105.9 1.4	106.8 0.8	107.1 0.3
10. Machinery and equipment	98.1 1.6	100.6 2.5	104.5 3.9	108.3 3.6	107.6 -0.6	105.9 -1.6	103.7 -2.1	101.5 -2.1
11. Exports of goods and services	102.1 0.8	102.3 0.2	103.3 1.0	103.8 0.5	104.1 0.3	107.9 3.7	108.3 0.4	108.3 0.0
12. DEDUCT: Imports of goods and services	104.0 1.0	105.2 1.2	105.7 0.5	107.2 1.4	108.3 1.0	112.2 3.6	112.3 0.1	111.9 -0.4
13. Gross Domestic Product at market prices	100.5 0.7	101.9 1.3	101.4 -0.5	101.9 0.5	100.8 -1.1	101.0 0.3	101.3 0.3	101.5 0.1
* 14. Final domestic demand	* 2.9	* 5.4	-1.8	2.0	-4.3	1.0	1.1	0.5
14. Final domestic demand	101.0 0.7	101.7 0.7	102.7 1.0	103.4 0.7	103.1 -0.3	102.9 -0.2	102.8 0.0	102.7 -0.1

Notes: Per cent change from previous quarter at quarterly rates is given on the second line.

\* Annualized per cent change from previous quarter.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO DEFLATORS**

(1992 = 100)

TABLE

	1995				1996		
	I	II	III	IV	I	II	III
1. Personal expenditure on consumer goods and services:	104.1 0.7	104.7 0.6	105.1 0.3	105.1 0.0	105.4 0.3	105.8 0.3	106.1 0.3
2. Goods	100.5 0.9	101.0 0.5	101.3 0.3	100.9 -0.4	101.1 0.2	101.3 0.2	101.3 0.0
3. Services	107.3 0.6	107.9 0.6	108.3 0.4	108.6 0.3	109.1 0.5	109.6 0.5	110.2 0.5
4. Government expenditure on goods and services:	101.3 0.7	101.9 0.6	101.5 -0.4	101.3 -0.2	101.3 0.0	101.8 0.5	102.0 0.2
5. Current expenditure	101.1 0.7	101.7 0.6	101.2 -0.5	101.1 -0.1	101.1 0.0	101.6 0.5	101.9 0.3
6. Capital expenditure	103.5 1.0	103.9 0.4	103.8 -0.1	102.8 -1.0	102.9 0.1	103.6 0.7	103.2 -0.4
7. Business gross fixed capital formation:	103.7 0.3	105.1 1.4	105.3 0.2	104.4 -0.9	104.4 0.0	103.8 -0.5	103.4 -0.4
8. Residential construction	103.5 -0.7	104.1 0.6	106.1 1.9	105.0 -1.0	104.6 -0.4	104.3 -0.3	104.2 -0.1
9. Non-residential construction	107.4 0.3	107.4 0.0	108.0 0.6	108.1 0.1	108.3 0.2	108.3 0.0	108.3 0.0
10. Machinery and equipment	102.6 1.1	105.0 2.3	103.8 -1.1	102.6 -1.2	102.8 0.2	101.8 -1.0	101.1 -0.7
11. Exports of goods and services	110.6 2.1	111.4 0.7	110.9 -0.4	111.7 0.7	112.5 0.7	111.8 -0.6	111.8 0.0
12. DEDUCT: Imports of goods and services	113.6 1.5	114.5 0.8	114.3 -0.2	114.9 0.5	114.8 -0.1	113.8 -0.9	112.6 -1.1
13. Gross Domestic Product at market prices	102.7 1.2	103.3 0.6	103.6 0.3	103.4 -0.2	103.6 0.2	104.3 0.7	105.0 0.6
*	5.0	2.3	1.1	-0.7	0.8	2.9	2.6
14. Final domestic demand	103.4 0.6	104.1 0.7	104.2 0.1	104.0 -0.2	104.3 0.2	104.6 0.3	104.8 0.2

Notes: Per cent change from previous quarter at quarterly rates is given on the second line.

\* Annualized per cent change from previous quarter.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

## ONTARIO DEFATORS

1992 = 100)

TABLE 6

	1997				1998			
	I	II	III	IV	I	II	III	IV
1. Personal expenditure on consumer goods and services:	107.2 0.5	107.5 0.3	107.6 0.1	107.9 0.3	107.8 -0.1	108.0 0.2	108.5 0.5	
2. Goods	102.2 0.5	102.5 0.3	103.1 0.6	103.4 0.3	103.0 -0.4	102.7 -0.3	102.9 0.2	
3. Services	111.5 0.5	111.8 0.3	111.5 -0.3	111.9 0.4	112.0 0.1	112.8 0.7	113.6 0.7	
4. Government expenditure on goods and services:	102.9 0.2	102.4 -0.5	102.7 0.3	102.6 -0.1	102.6 0.0	102.6 0.1	102.7 0.1	
5. Current expenditure	102.8 0.2	102.3 -0.5	102.6 0.3	102.4 -0.2	102.5 0.1	102.6 0.1	102.7 0.1	
6. Capital expenditure	103.6 0.1	103.1 -0.5	103.6 0.5	104.3 0.7	103.2 -1.1	103.1 -0.1	103.2 0.1	
7. Business gross fixed capital formation:	103.4 0.4	104.8 1.4	105.1 0.2	106.1 1.0	105.9 -0.2	105.7 -0.2	105.8 0.1	
8. Residential construction	105.3 0.8	106.9 1.5	107.4 0.5	108.4 0.9	109.5 1.0	110.5 0.9	110.7 0.2	
9. Non-residential construction	108.3 0.9	109.2 0.8	109.4 0.2	110.4 0.9	111.1 0.6	111.5 0.4	112.8 1.2	
0. Machinery and equipment	100.4 0.0	102.0 1.6	102.2 0.2	103.3 1.1	101.8 -1.5	101.0 -0.8	100.8 -0.2	
1. Exports of goods and services	110.8 -0.8	111.5 0.6	110.1 -1.3	110.9 0.7	110.6 -0.3	111.1 0.5	111.9 0.7	
2. DEDUCT: Imports of goods and services	111.7 -0.1	113.8 1.9	112.7 -1.0	114.7 1.8	113.9 -0.7	114.3 0.4	117.2 2.5	
3. Gross Domestic Product at market prices	105.7 -0.3	105.4 -0.2	105.3 -0.1	105.3 0.0	105.2 -0.1	105.2 0.0	104.6 -0.5	
* -1.1 -0.8 -0.4 -0.1 -0.5 0.0 -2.0								
4. Final domestic demand	105.6 0.4	105.9 0.3	106.1 0.2	106.5 0.3	106.3 -0.1	106.5 0.1	106.8 0.3	

notes: Per cent change from previous quarter at quarterly rates is given on the second line.

\* Annualized per cent change from previous quarter.

sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

## Ontario Economic Accounts, Annual Data

## ONTARIO GROSS DOMESTIC PRODUCT, (INCOME BASED)

(\$ millions)

TABLE 7

	1993	1994	1995	1996	1997
1. Wages, salaries and supplementary labour income ( <i>domestic basis</i> )	164,312 0.9	167,097 1.7	173,225 3.7	177,421 2.4	187,161 5.5
2. Corporation profits before taxes	17,685 22.0	27,962 58.1	33,919 21.3	32,235 -5.0	36,704 13.9
3. Interest and miscellaneous investment income	17,845 -9.5	17,251 -3.3	17,282 0.2	16,663 -3.6	14,797 -11.2
4. Accrued net income of farm operators from farm production	300 37.3	3 -99.1	333 12065.7	310 -6.8	245 -21.0
5. Net income of non-farm unincorporated business including rent	17,303 7.1	18,468 6.7	19,291 4.5	20,555 6.6	22,545 9.7
6. Inventory valuation adjustment	-1,306	-2,756	-1,239	-545	-856
7. Net Domestic Income at factor cost	216,139 1.9	228,025 5.5	242,811 6.5	246,639 1.6	260,596 5.7
8. Indirect taxes less subsidies	42,977 3.3	44,692 4.0	45,813 2.5	47,477 3.6	50,116 5.6
9. Capital consumption allowances and miscellaneous valuation adjustments	32,728 3.7	34,811 6.4	37,427 7.5	40,176 7.3	41,277 2.7
10. Gross Domestic Product at market prices	291,844 2.3	307,528 5.4	326,051 6.0	334,292 2.5	351,989 5.3

Note: Percentage change from previous year is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT, (EXPENDITURE BASED)**  
 (\$ millions)
**TABLE 8**

	1993	1994	1995	1996	1997
1. Personal expenditure on consumer goods and services:	169,547	176,116	182,689	189,281	200,852
	4.1	3.9	3.7	3.6	6.1
2. Goods	76,884	78,603	81,133	83,300	89,084
	2.5	2.2	3.2	2.7	6.9
3. Services	92,663	97,513	101,556	105,981	111,768
	5.5	5.2	4.1	4.4	5.5
4. Government expenditure on goods and services:	70,177	70,157	70,951	68,542	67,524
	1.2	0.0	1.1	-3.4	-1.5
5. Current expenditure	63,785	62,838	63,117	61,320	61,448
	2.5	-1.5	0.4	-2.8	0.2
6. Capital expenditure	6,391	7,319	7,834	7,222	6,076
	-10.0	14.5	7.0	-7.8	-15.9
7. Business gross fixed capital formation:	38,062	40,813	40,484	45,440	53,293
	-8.9	7.2	-0.8	12.2	17.3
8. Residential construction	14,709	15,432	13,290	14,781	17,525
	-7.4	4.9	-13.9	11.2	18.6
9. Non-residential construction	8,093	7,212	7,114	8,698	9,391
	-16.7	-10.9	-1.3	22.3	8.0
10. Machinery and equipment	15,260	18,169	20,079	21,961	26,377
	-5.7	19.1	10.5	9.4	20.1
11. Exports of goods and services	162,580	185,776	205,696	217,105	236,591
	11.4	14.3	10.7	5.5	9.0
12. DEDUCT: Imports of goods and services	146,272	165,861	177,943	185,283	210,019
	12.2	13.4	7.3	4.1	13.4
13. Value of physical change in inventories:	-3,772	-82	4,198	63	3,489
14. Non-farm	-3,858	138	4,159	151	3,667
15. Farm and grain in commercial channels	86	-220	39	-88	-178
16. Statistical discrepancy	1,522	609	-24	-856	259
17. Gross Domestic Product at market prices	291,844	307,528	326,051	334,292	351,989
	2.3	5.4	6.0	2.5	5.3
18. Gross Domestic Product at 1992 prices	287,744	304,039	315,860	319,256	333,849
	0.9	5.7	3.9	1.1	4.6

Note: Percentage change from previous year is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT AT 1992 PRICES**  
**(*\$ millions*)**

**TABLE 9**

	1993	1994	1995	1996	1997
<b>1. Personal expenditure on consumer goods and services:</b>	<b>165,093</b>	<b>170,428</b>	<b>174,398</b>	<b>178,575</b>	<b>186,732</b>
1.4	3.2	2.3	2.4	4.6	
<b>2. Goods</b>	<b>75,458</b>	<b>78,484</b>	<b>80,389</b>	<b>82,188</b>	<b>86,650</b>
0.6	4.0	2.4	2.2	5.4	
<b>3. Services</b>	<b>89,635</b>	<b>91,944</b>	<b>94,009</b>	<b>96,387</b>	<b>100,082</b>
2.1	2.6	2.2	2.5	3.8	
<b>4. Government expenditure on goods and services:</b>	<b>69,343</b>	<b>69,497</b>	<b>69,897</b>	<b>67,235</b>	<b>65,798</b>
0.0	0.2	0.6	-3.8	-2.1	
<b>5. Current expenditure</b>	<b>62,987</b>	<b>62,310</b>	<b>62,328</b>	<b>60,243</b>	<b>59,935</b>
1.2	-1.1	0.0	-3.3	-0.5	
<b>6. Capital expenditure</b>	<b>6,356</b>	<b>7,187</b>	<b>7,569</b>	<b>6,991</b>	<b>5,863</b>
-10.5	13.1	5.3	-7.6	-16.1	
<b>7. Business gross fixed capital formation:</b>	<b>37,326</b>	<b>39,130</b>	<b>38,701</b>	<b>43,851</b>	<b>50,827</b>
-10.7	4.8	-1.1	13.3	15.9	
<b>8. Residential construction</b>	<b>14,522</b>	<b>14,925</b>	<b>12,700</b>	<b>14,159</b>	<b>16,377</b>
-8.6	2.8	-14.9	11.5	15.7	
<b>9. Non-residential construction</b>	<b>7,927</b>	<b>6,803</b>	<b>6,605</b>	<b>8,050</b>	<b>8,590</b>
-18.4	-14.2	-2.9	21.9	6.7	
<b>10. Machinery and equipment</b>	<b>14,876</b>	<b>17,402</b>	<b>19,396</b>	<b>21,642</b>	<b>25,859</b>
-8.1	17.0	11.5	11.6	19.5	
<b>11. Exports of goods and services</b>	<b>158,007</b>	<b>173,287</b>	<b>185,056</b>	<b>193,932</b>	<b>213,491</b>
8.3	9.7	6.8	4.8	10.1	
<b>12. DEDUCT: Imports of goods and services</b>	<b>138,554</b>	<b>149,156</b>	<b>155,656</b>	<b>163,618</b>	<b>185,437</b>
6.2	7.7	4.4	5.1	13.3	
<b>13. Value of physical change in inventories:</b>	<b>-4,329</b>	<b>445</b>	<b>3,491</b>	<b>110</b>	<b>2,724</b>
<b>14. Non-farm</b>	<b>-3,782</b>	<b>131</b>	<b>3,463</b>	<b>67</b>	<b>2,880</b>
<b>15. Farm and grain in commercial channels</b>	<b>-547</b>	<b>314</b>	<b>28</b>	<b>42</b>	<b>-156</b>
<b>16. Statistical discrepancy</b>	<b>858</b>	<b>408</b>	<b>-27</b>	<b>-829</b>	<b>-286</b>
<b>17. Gross Domestic Product at 1992 prices</b>	<b>287,744</b>	<b>304,039</b>	<b>315,860</b>	<b>319,256</b>	<b>333,849</b>
0.9	5.7	3.9	1.1	4.6	
<b>18. Final domestic demand</b>	<b>271,761</b>	<b>279,055</b>	<b>282,996</b>	<b>289,660</b>	<b>303,357</b>
-0.8	2.7	1.4	2.4	4.7	

Notes: Percentage change from previous year is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**SOURCES AND DISPOSITION OF ONTARIO PERSONAL INCOME**  
*( $\$$  millions)*
**TABLE 10**

		1993	1994	1995	1996	1997
1.	Wages, salaries and supplementary labour income ( <i>national basis</i> )	161,995 0.9	164,741 1.7	170,782 3.7	174,918 2.4	184,521 5.5
2.	Net income of farm operators from farm production	285 30.8	3 -99.1	316 12065.7	295 -6.8	233 -21.0
3.	Net income of non-farm unincorporated business including rent	17,303 7.1	18,468 6.7	19,291 4.5	20,555 6.6	22,545 9.7
4.	Interest, dividends and miscellaneous investment income	35,887 -5.1	35,545 -1.0	38,835 9.3	38,475 -0.9	36,806 -4.3
5.	Current transfers from government, corporations and non-residents	39,608 5.4	39,737 0.3	39,690 -0.1	39,981 0.7	40,026 0.1
6.	Equals: Personal income	255,078 1.1	258,494 1.3	268,914 4.0	274,224 2.0	284,131 3.6
7.	Deduct: Personal direct taxes	40,092 -0.3	41,454 3.4	44,056 6.3	48,190 9.4	51,535 6.9
8.	Other current transfers to government	16,654 1.3	17,637 5.9	18,671 5.9	18,525 -0.8	19,180 3.5
9.	Equals: Personal disposable income	198,332 1.4	199,403 0.5	206,187 3.4	207,509 0.6	213,416 2.8
10.	Deduct: Personal expenditure on consumer goods and services	169,547 4.1	176,116 3.9	182,689 3.7	189,281 3.6	200,852 6.1
11.	Current transfers to corporations	2,690 -18.0	2,818 4.8	3,784 34.3	3,535 -6.6	2,831 -19.9
12.	Current transfers to non-residents	369 8.3	387 4.9	402 3.8	412 2.4	435 5.6
13.	Equals: Personal saving	25,726 -11.9	20,082 -21.9	19,312 -3.8	14,281 -26.0	9,298 -34.9
14.	Personal savings rate	13.0	10.1	9.4	6.9	4.4

Note: Percentage change from previous year is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

*Ontario Economic Accounts, Annual Data***ONTARIO TRADE**

(\$ millions)

**TABLE 11**

	1993	1994	1995	1996	1997
<b>1. Exports of Goods and Services</b>	<b>162,580</b>	<b>185,776</b>	<b>205,696</b>	<b>217,105</b>	<b>236,591</b>
	11.4	14.3	10.7	5.5	9.0
<b>2. Of Which: International</b>	<b>107,924</b>	<b>127,795</b>	<b>145,768</b>	<b>154,215</b>	<b>169,184</b>
	17.7	18.4	14.1	5.8	9.7
<b>3. Goods</b>	<b>93,875</b>	<b>111,483</b>	<b>127,470</b>	<b>133,747</b>	<b>147,061</b>
	18.2	18.8	14.3	4.9	10.0
<b>4. Services</b>	<b>14,049</b>	<b>16,312</b>	<b>18,298</b>	<b>20,468</b>	<b>22,124</b>
	14.3	16.1	12.2	11.9	8.1
<b>5. Of Which: Interprovincial goods and services</b>	<b>54,656</b>	<b>57,981</b>	<b>59,928</b>	<b>62,890</b>	<b>67,407</b>
	0.7	6.1	3.4	4.9	7.2
<b>6. Imports of Goods and Services</b>	<b>146,272</b>	<b>165,861</b>	<b>177,943</b>	<b>185,283</b>	<b>210,019</b>
	12.2	13.4	7.3	4.1	13.4
<b>7. Trade Balance</b>	<b>16,308</b>	<b>19,915</b>	<b>27,753</b>	<b>31,822</b>	<b>26,572</b>

Note: Percentage change from previous year is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO DEFLATORS**

(1992 = 100)

**TABLE 12**

	1993	1994	1995	1996	1997
<b>1. Personal expenditure on consumer goods and services:</b>	<b>102.7</b>	<b>103.3</b>	<b>104.8</b>	<b>106.0</b>	<b>107.6</b>
	2.7	0.6	1.4	1.2	1.5
<b>2. Goods</b>	<b>101.9</b>	<b>100.2</b>	<b>100.9</b>	<b>101.4</b>	<b>102.8</b>
	1.9	-1.7	0.8	0.4	1.4
<b>3. Services</b>	<b>103.4</b>	<b>106.1</b>	<b>108.0</b>	<b>110.0</b>	<b>111.7</b>
	3.4	2.6	1.9	1.8	1.6
<b>4. Government expenditure on goods and services:</b>	<b>101.2</b>	<b>100.9</b>	<b>101.5</b>	<b>102.0</b>	<b>102.6</b>
	1.2	-0.2	0.6	0.4	0.7
<b>5. Current expenditure</b>	<b>101.3</b>	<b>100.8</b>	<b>101.3</b>	<b>101.8</b>	<b>102.5</b>
	1.2	-0.4	0.4	0.5	0.7
<b>6. Capital expenditure</b>	<b>100.6</b>	<b>101.8</b>	<b>103.5</b>	<b>103.3</b>	<b>103.7</b>
	0.6	1.2	1.7	-0.2	0.3
<b>7. Business gross fixed capital formation:</b>	<b>102.1</b>	<b>104.3</b>	<b>104.6</b>	<b>103.7</b>	<b>104.8</b>
	2.0	2.2	0.3	-0.9	1.1
<b>8. Residential construction</b>	<b>101.3</b>	<b>103.4</b>	<b>104.7</b>	<b>104.4</b>	<b>107.0</b>
	1.3	2.1	1.2	-0.3	2.5
<b>9. Non-residential construction</b>	<b>102.1</b>	<b>106.0</b>	<b>107.7</b>	<b>108.1</b>	<b>109.3</b>
	2.1	3.8	1.6	0.3	1.2
<b>10. Machinery and equipment</b>	<b>102.9</b>	<b>104.7</b>	<b>103.5</b>	<b>101.5</b>	<b>102.0</b>
	2.8	1.7	-1.1	-1.9	0.4
<b>11. Exports of goods and services</b>	<b>102.9</b>	<b>107.2</b>	<b>111.2</b>	<b>112.0</b>	<b>110.8</b>
	2.9	4.2	3.7	0.7	-1.0
<b>12. DEDUCT: Imports of goods and services</b>	<b>105.5</b>	<b>111.2</b>	<b>114.3</b>	<b>113.3</b>	<b>113.2</b>
	5.6	5.4	2.8	-0.9	0.0
<b>13. Gross Domestic Product at market prices</b>	<b>101.4</b>	<b>101.1</b>	<b>103.2</b>	<b>104.7</b>	<b>105.4</b>
	1.4	-0.3	2.1	1.4	0.7
<b>14. Final domestic demand</b>	<b>102.2</b>	<b>102.9</b>	<b>103.9</b>	<b>104.7</b>	<b>106.0</b>
	2.2	0.7	1.0	0.7	1.3

Note: Percentage change from previous year is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO PRODUCTION BY INDUSTRY, 1992\$**

(\$millions, seasonally adjusted at annual rates)

TABLE 13

	1993				1994				
	I	II	III	IV	I	II	III	IV	
1. Primary	6,059 6.5	5,973 -1.4	5,744 -3.8	5,628 -2.0	5,453 -3.1	5,756 5.5	5,854 1.7	6,036 3.1	
2. Manufacturing	52,983 1.9	53,072 0.2	53,422 0.7	53,660 0.4	54,284 1.2	56,896 4.8	58,442 2.7	60,937 4.3	
3. Construction	12,026 -3.6	11,445 -4.8	11,196 -2.2	11,215 0.2	11,236 0.2	11,404 1.5	11,549 1.3	11,788 2.1	
4. Utilities	8,699 1.2	8,697 0.0	9,013 3.6	9,188 1.9	9,705 5.6	9,285 -4.3	8,936 -3.8	8,596 -3.8	
5. Goods Producing Industries	79,766 1.3	79,187 -0.7	79,375 0.2	79,691 0.4	80,679 1.2	83,340 3.3	84,782 1.7	87,358 3.0	
6. Transportation, Storage and Communication	15,938 -0.7	15,798 -0.9	15,939 0.9	15,918 -0.1	16,267 2.2	16,570 1.9	16,744 1.1	17,033 1.7	
7. Wholesale & Retail Trade	26,997 -0.2	26,845 -0.6	27,113 1.0	27,675 2.1	28,353 2.5	29,018 2.3	29,629 2.1	30,730 3.7	
8. Finance, Insurance and Real Estate	43,160 1.3	44,034 2.0	43,936 -0.2	44,509 1.3	45,126 1.4	45,620 1.1	45,845 0.5	46,048 0.4	
9. Community, Business and Personal Services	64,486 0.3	64,917 0.7	64,869 -0.1	64,820 -0.1	65,107 0.4	65,806 1.1	66,536 1.1	66,772 0.4	
10. Government Services	16,943 -0.3	16,874 -0.4	16,865 -0.1	17,032 1.0	17,224 1.1	17,443 1.3	17,587 0.8	17,623 0.2	
11. Services Producing Industries	167,525 0.4	168,467 0.6	168,723 0.2	169,954 0.7	172,078 1.2	174,457 1.4	176,341 1.1	178,205 1.1	
12. Total Production (1992\$) at Factor Cost	247,291 0.6	247,654 0.1	248,098 0.2	249,645 0.6	252,757 1.2	257,798 2.0	261,123 1.3	265,563 1.7	
	*	2.6	0.6	0.7	2.5	5.1	8.2	5.3	7.0
13. Indirect Taxes Less Subsidies plus Miscellaneous Adjustments	36,093	37,755	41,417	43,021	44,358	44,393	45,555	44,608	
14. Gross Domestic Product (1992\$) at Market Prices	283,385 0.0	285,409 0.7	289,515 1.4	292,666 1.1	297,115 1.5	302,190 1.7	306,678 1.5	310,172 1.1	
	*	0.0	2.9	5.9	4.4	6.2	7.0	6.1	4.6

Notes: Percentage change from previous quarter is given on second line.

\* Annualized per cent change from previous quarter

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO PRODUCTION BY INDUSTRY, 1992\$**

(\$millions, seasonally adjusted at annual rates)

TABLE 13

	1995				1996			
	I	II	III	IV	I	II	III	IV
1. Primary	5,788 -4.1	5,758 -0.5	5,878 2.1	5,983 1.8	6,042 1.0	5,942 -1.7	5,826 -1.9	5,633 -3.3
2. Manufacturing	62,654 2.8	61,518 -1.8	61,975 0.7	62,251 0.4	61,863 -0.6	62,436 0.9	63,283 1.4	62,818 -0.7
3. Construction	11,311 -4.0	10,968 -3.0	10,956 -0.1	10,977 0.2	11,103 1.1	11,461 3.2	12,059 5.2	12,107 0.4
4. Utilities	8,931 3.9	9,163 2.6	9,601 4.8	9,434 -1.7	9,414 -0.2	9,185 -2.4	8,998 -2.0	9,378 4.2
5. Goods Producing Industries	88,684 1.5	87,407 -1.4	88,410 1.1	88,646 0.3	88,422 -0.3	89,024 0.7	90,166 1.3	89,936 -0.3
6. Transportation, Storage and Communication	16,800 -1.4	16,565 -1.4	16,937 2.2	16,855 -0.5	16,703 -0.9	17,289 3.5	17,771 2.8	17,625 -0.8
7. Wholesale & Retail Trade	30,640 -0.3	30,663 0.1	30,892 0.7	30,467 -1.4	31,630 3.8	31,261 -1.2	31,103 -0.5	31,073 -0.1
8. Finance, Insurance and Real Estate	45,663 -0.8	46,676 2.2	47,490 1.7	47,675 0.4	48,516 1.8	48,263 -0.5	48,649 0.8	49,622 2.0
9. Community, Business and Personal Services	67,077 0.5	67,632 0.8	68,223 0.9	68,629 0.6	68,393 -0.3	68,303 -0.1	68,425 0.2	68,926 0.7
10. Government Services	17,657 0.2	17,629 -0.2	17,384 -1.4	17,173 -1.2	16,519 -3.8	16,923 2.4	16,927 0.0	16,998 0.4
11. Services Producing Industries	177,837 -0.2	179,166 0.7	180,926 1.0	180,798 -0.1	181,761 0.5	182,039 0.2	182,876 0.5	184,244 0.7
12. Total Production (1992\$) at Factor Cost	266,521 0.4	266,572 0.0	269,336 1.0	269,445 0.0	270,182 0.3	271,063 0.3	273,042 0.7	274,180 0.4
	*	1.5	0.1	4.2	1.1	1.3	3.0	1.7
13. Indirect Taxes Less Subsidies plus Miscellaneous Adjustments	44,146	44,847	49,099	53,476	46,843	46,718	47,556	47,439
14. Gross Domestic Product (1992\$) at Market Prices	310,667 0.2	311,419 0.2	318,434 2.3	322,921 1.4	317,026 -1.8	317,781 0.2	320,598 0.9	321,619 0.3
	*	0.6	1.0	9.3	5.8	-7.1	1.0	3.6

Notes: Percentage change from previous quarter is given on second line.

\* Annualized per cent change from previous quarter

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO PRODUCTION BY INDUSTRY, 1992\$**  
*(\$millions, seasonally adjusted at annual rates)*

TABLE 13

	1997				1998			
	I	II	III	IV	I	II	III	IV
1. Primary	5,667 0.6	5,765 1.7	5,970 3.5	6,096 2.1	6,087 -0.1	6,137 0.8	6,171 0.5	
2. Manufacturing	64,647 2.9	66,576 3.0	67,806 1.8	68,739 1.4	69,998 1.8	69,654 -0.5	69,649 0.0	
3. Construction	12,319 1.8	12,556 1.9	12,540 -0.1	12,408 -1.0	12,993 4.7	12,681 -2.4	12,514 -1.3	
4. Utilities	9,550 1.8	9,588 0.4	9,162 -4.4	8,740 -4.6	8,565 -2.0	8,942 4.4	9,186 2.7	
5. Goods Producing Industries	92,184 2.5	94,484 2.5	95,477 1.1	95,983 0.5	97,642 1.7	97,415 -0.2	97,520 0.1	
6. Transportation, Storage and Communication	18,276 3.7	18,361 0.5	18,279 -0.4	18,576 1.6	18,759 1.0	18,785 0.1	19,053 1.4	
7. Wholesale & Retail Trade	32,085 3.3	33,252 3.6	34,519 3.8	35,876 3.9	35,911 0.1	36,730 2.3	37,487 2.1	
8. Finance, Insurance and Real Estate	49,688 0.1	50,725 2.1	51,269 1.1	51,503 0.5	51,399 -0.2	51,563 0.3	51,733 0.3	
9. Community, Business and Personal Services	69,404 0.7	69,830 0.6	70,620 1.1	70,215 -0.6	72,068 2.6	71,974 -0.1	71,890 -0.1	
10. Government Services	16,876 -0.7	16,652 -1.3	16,525 -0.8	16,326 -1.2	16,373 0.3	16,260 -0.7	16,017 -1.5	
11. Services Producing Industries	186,329 1.1	188,821 1.3	191,213 1.3	192,495 0.7	194,509 1.0	195,312 0.4	196,179 0.4	
12. Total Production (1992\$) at Factor Cost	278,513 1.6 * 6.5	283,305 1.7 * 7.1	286,690 1.2 * 4.9	288,479 0.6 * 2.5	292,151 1.3 * 5.2	292,727 0.2 * 0.8	293,698 0.3 * 1.3	
13. Indirect Taxes Less Subsidies plus Miscellaneous Adjustments	48,193	48,715	50,814	50,688	51,746	52,302	52,298	
14. Gross Domestic Product (1992\$) at Market Prices	326,706 1.6 * 6.5	332,020 1.6 * 6.7	337,504 1.7 * 6.8	339,167 0.5 * 2.0	343,898 1.4 * 5.7	345,030 0.3 * 1.3	345,997 0.3 * 1.1	

Notes: Percentage change from previous quarter is given on second line.

\* Annualized per cent change from previous quarter

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO PRODUCTION BY INDUSTRY, 1992\$**  
*(\$millions)*

**TABLE 14**

	1993	1994	1995	1996	1997
<b>1. Primary</b>	<b>5,851</b> 0.4	<b>5,775</b> -1.3	<b>5,852</b> 1.3	<b>5,861</b> 0.1	<b>5,874</b> 0.2
<b>2. Manufacturing</b>	<b>53,284</b> 4.9	<b>57,640</b> 8.2	<b>62,100</b> 7.7	<b>62,600</b> 0.8	<b>66,942</b> 6.9
<b>3. Construction</b>	<b>11,470</b> -13.9	<b>11,494</b> 0.2	<b>11,053</b> -3.8	<b>11,682</b> 5.7	<b>12,456</b> 6.6
<b>4. Utilities</b>	<b>8,899</b> 4.9	<b>9,131</b> 2.6	<b>9,282</b> 1.7	<b>9,244</b> -0.4	<b>9,260</b> 0.2
<b>5. Goods Producing Industries</b>	<b>79,505</b> 1.4	<b>84,040</b> 5.7	<b>88,287</b> 5.1	<b>89,387</b> 1.2	<b>94,532</b> 5.8
<b>6. Transportation, Storage and Communication</b>	<b>15,898</b> -1.0	<b>16,653</b> 4.8	<b>16,789</b> 0.8	<b>17,347</b> 3.3	<b>18,373</b> 5.9
<b>7. Wholesale &amp; Retail Trade</b>	<b>27,158</b> 1.9	<b>29,433</b> 8.4	<b>30,666</b> 4.2	<b>31,267</b> 2.0	<b>33,933</b> 8.5
<b>8. Finance, Insurance and Real Estate</b>	<b>43,910</b> 2.3	<b>45,660</b> 4.0	<b>46,876</b> 2.7	<b>48,763</b> 4.0	<b>50,796</b> 4.2
<b>9. Community, Business and Personal Services</b>	<b>64,773</b> 1.3	<b>66,055</b> 2.0	<b>67,890</b> 2.8	<b>68,512</b> 0.9	<b>70,017</b> 2.2
<b>10. Government Services</b>	<b>16,929</b> -0.4	<b>17,469</b> 3.2	<b>17,461</b> 0.0	<b>16,842</b> -3.5	<b>16,595</b> -1.5
<b>11. Services Producing Industries</b>	<b>168,667</b> 1.2	<b>175,270</b> 3.9	<b>179,682</b> 2.5	<b>182,730</b> 1.7	<b>189,714</b> 3.8
<b>12. Total Production (92\$) at Factor Cost</b>	<b>248,172</b> 1.3	<b>259,310</b> 4.5	<b>267,968</b> 3.3	<b>272,117</b> 1.5	<b>284,247</b> 4.5
<b>13. Indirect Taxes Less Subsidies plus Miscellaneous Adjustments</b>	<b>39,572</b>	<b>44,729</b>	<b>47,892</b>	<b>47,139</b>	<b>49,602</b>
<b>14. Gross Domestic Product (1992\$) at Market Prices</b>	<b>287,744</b> 0.9	<b>304,039</b> 5.7	<b>315,860</b> 3.9	<b>319,256</b> 1.1	<b>333,849</b> 4.6

Notes: Percentage change from previous year is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

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# ONTARIO ECONOMIC ACCOUNTS

Fourth Quarter of 1998  
(October, November & December)



Ministry of Finance  
Office of Economic Policy  
Macroeconomic Analysis and Policy Branch  
April 1999



## FOURTH QUARTER HIGHLIGHTS: ECONOMY SURGES

- The Ontario economy rebounded strongly in the fourth quarter, with **real GDP surging by 2.1%** (8.8% annualized), the strongest quarterly gain in three years.
- **Auto shipments** to the U.S. led a 7.2% jump in real exports, as production surged at plants that had been shut down in the third quarter.
- Businesses continued to increase **investment spending on machinery and equipment**, up 2.2%, following a 1.0% gain in the previous quarter. Firms also rebuilt **inventories**, particularly for autos in the wholesale and retail sectors.
- **Residential construction** moved ahead by 1.4%, after strikes in the Toronto construction sector affected new home building earlier in the year.
- Household **disposable income** rose 0.7%, and nominal **personal spending** grew at the same rate.
- By **industry**, a surge in auto production led the rise in output. Gains were also recorded in construction, wholesale trade, business services and transportation and communication industries.

## 1998 YEAR IN REVIEW: STRONG ECONOMIC GROWTH

The Ontario economy recorded strong economic growth in 1998, with real GDP rising 4.2%, following a gain of 4.6% in 1997.

The consumer sector had a banner year. Personal spending recorded its strongest gain in ten years, rising 4.7% in real terms. This increase was supported by a 3.5% rise in after-tax income, the best gain of the 1990s. Also, a surging job market and low interest rates helped raise consumer confidence to the highest levels of the decade.

The housing market increased by 0.2% in 1998. Strikes in the southern Ontario

construction industry held back new home construction.

Exports recorded a strong year of growth, rising 9.1%, after increasing 10.1% in 1997. The gain in exports was concentrated in automotive products, machinery and equipment, consumer goods, forestry products and industrial goods.

Faced with healthy domestic and foreign demand, firms continued to invest in machinery and equipment, with spending up 9.8%.

Prices, as measured by the GDP price deflator, declined by 0.7% in 1998, only the second annual decline on record. Lower prices were recorded for consumer goods and machinery and equipment.

### ONTARIO KEY ECONOMIC INDICATORS

(% change from previous period)

	1997	1998	1998:1	1998:2	1998:3	1998:4
<b>Real GDP (\$1992)</b>	<b>4.6</b>	<b>4.2</b>	<b>1.6</b>	<b>0.3</b>	<b>0.2</b>	<b>2.1</b>
Personal spending	4.6	4.7	0.5	2.6	0.2	0.3
Government spending	-2.1	1.6	0.9	-0.3	-0.3	-0.7
Residential construction	15.7	0.2	4.5	-4.7	-3.7	1.4
Non-residential construction	6.7	-1.5	-0.5	0.6	-0.7	-0.2
Machinery & equipment	19.5	9.8	0.5	5.4	1.0	2.2
Exports	10.1	9.1	3.2	0.0	0.2	7.2
Imports	13.3	8.9	1.9	1.5	-2.8	7.8
Business Inventories (\$1992 billions)	2.9	1.9	4.0	2.8	-1.9	2.9
<b>Nominal GDP (Current\$)</b>	<b>5.3</b>	<b>3.4</b>	<b>1.5</b>	<b>0.4</b>	<b>-0.7</b>	<b>2.0</b>
Corporation profits	13.9	-2.3	-2.3	-3.5	-3.5	12.1
Personal income	3.6	4.1	2.5	0.7	0.1	0.9
Disposable income	2.8	3.5	2.7	0.4	-0.3	0.7
<b>Prices</b>						
GDP deflator	0.7	-0.7	-0.2	0.0	-0.9	-0.1
Consumer Price Index (Y/Y%)	1.9	0.9	1.1	0.8	0.8	1.0

### Fourth Quarter Highlights

In the fourth quarter of 1998, Ontario households continued to increase outlays on goods and services, with real **consumer spending** rising 0.3%, following a 0.2% advance in the previous quarter. Consumer spending has been on an upward trend for three years, underpinned by high levels of confidence, rising after-tax income, a healthy job market and low interest rates.

Higher spending in the fourth quarter was recorded in motor fuels, air transportation, recreation and communication services, while consumers spent less on electricity, men's

clothing and autos.

**Personal disposable income** rose a solid 0.7% in 1998:4, following a 0.3% decline in the previous quarter. The gain in after-tax income reflected higher average weekly earnings, a sharp jump in employment, as well as the return to work of employees who were on strike during part of the previous quarter.

With after-tax income rising at the same pace as consumer spending, the Ontario **savings rate** was 0.9% in 1998:4, similar to the 1.0% rate recorded in 1998:3.

In the **housing market**, real residential construction rebounded by 1.4% in the fourth quarter, following declines in the second and third quarter, when activity was affected by strikes in the southern Ontario construction industry. Both new home construction and renovation spending rose, offsetting a decline in resale market volume.

## Business Investment Picks Up

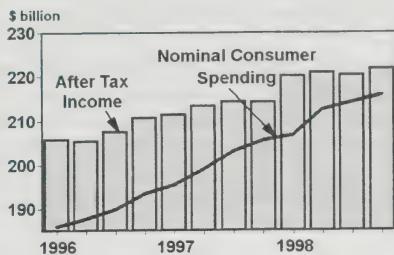
**Business investment spending on plant and equipment** rose by 1.7% in the fourth quarter, accelerating from the 0.6% pace of growth recorded in the third quarter.

Real machinery and equipment investment rose a strong 2.2%, following a gain of 1.0% in the third quarter. Firms lifted spending on computers, furniture and transportation equipment other than autos, while reducing outlays on industrial machinery, trucks and telecommunication equipment. Non-residential construction declined 0.2% in the fourth quarter, after falling 0.7% in 1998:3.

Businesses rebuilt real **inventories** by \$2.9 billion in the fourth quarter, after running down stocks by \$1.9 billion in the previous quarter, which was the first decline in two years. Stock building in the wholesale and retail trade sectors, offset lower manufacturing inventories.

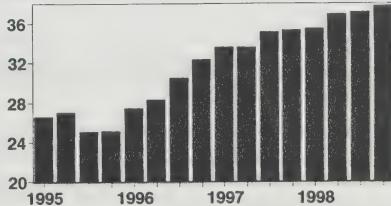
**Corporation profits** in Ontario increased sharply by 12.1% in the fourth quarter, following four consecutive quarterly declines. The rise in profits was concentrated in the auto sector, while gains were also recorded in food

## High Income Level Supports Strong Spending



## Business Investment Rising

Plant and Equipment Spending \$1992 billions



and beverage, non-ferrous metals and electronic equipment and computers, offsetting declines in chemicals, iron and steel and printing and publishing.

## Exports Soar, Driven by Autos

**Ontario real exports**, (which include both international and interprovincial exports) surged by 7.2% in 1998:4, after a modest 0.2% gain in the third quarter, when labour disruptions in the auto sector curbed production and exports. However, not all of the sharp rebound in auto exports was strike-related. The Honda Odyssey line started production in the fourth quarter, Chrysler added a third shift to their Bramalea plant and U.S. auto sales were up strongly. As a result, total auto sector exports (cars, trucks, parts) soared by 24.7%. Gains were also registered in food, forest products and tools.

**Ontario imports** rose 7.8% in 1998:4, largely the result of increased imports of autos, computers, telecommunications equipment and food products.

The real trade surplus rose to a level of \$34.0 billion (\$1992) in the fourth quarter, up from \$32.8 billion in the previous quarter, and the largest surplus in three years.

## Low Inflation Continues

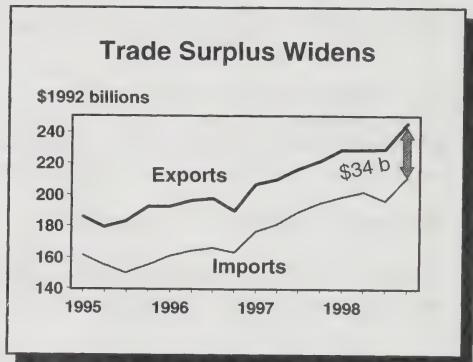
The aggregate price level, as measured by the **GDP price deflator**, declined by 0.1% during the fourth quarter, after a 0.9% drop in the third quarter.

Domestic prices increased 0.4% in 1998:4. Prices for consumer goods and services rose 0.4%, while housing prices advanced by 1.3%. Prices for machinery and equipment purchases declined by 0.2%.

Export prices increased by 1.7%, with higher prices for cars, trucks, auto parts, aircraft and telecommunications equipment. Import prices advanced by 2.3%, a reflection of the lower Canadian dollar.

## 1998 Industrial Production Highlights

For the second consecutive year, Ontario's industrial output expanded rapidly with real production at factor cost up 4.0% in 1998. Despite spring and summer industrial disputes in construction, autos, education, paper and air transportation industries, Ontario recorded strong broadly-based growth.



**ONTARIO OUTPUT BY SECTOR**

(% change from previous period, \$1992)

	1997	1998	1998:1	1998:2	1998:3	1998:4
<b>Goods Sector</b>	<b>5.8</b>	<b>3.8</b>	<b>1.5</b>	<b>-0.1</b>	<b>0.0</b>	<b>3.2</b>
Primary Industries	0.2	2.6	-0.8	0.2	0.4	-2.9
Manufacturing	6.9	5.4	1.7	-0.3	0.0	4.6
Construction	6.6	0.8	3.2	-2.4	-1.2	1.6
Utilities	0.2	-2.7	-1.1	4.6	2.0	-0.8
<b>Service Sector</b>	<b>3.8</b>	<b>4.0</b>	<b>1.3</b>	<b>0.6</b>	<b>0.7</b>	<b>1.5</b>
Transportation, Storage and Communications	5.9	5.0	2.3	0.3	0.9	3.2
Wholesale and Retail Trade	8.5	8.7	-0.4	2.2	1.9	2.4
Finance, Insurance and Real Estate	4.2	2.2	-0.1	0.2	1.1	0.6
Community, Business and Personal Services	2.2	4.0	3.0	0.3	0.1	1.4
Government	-1.5	-0.9	0.8	0.2	-0.6	0.4

Manufacturing, communications, business services and wholesale and retail trade industries led Ontario growth in 1998. A robust expansion of exports and consumer spending propelled wholesale and retail trade growth to 8.7%, its strongest gain since 1985. Manufacturing production surged 5.4% despite auto sector shutdowns in June and July. Of 19 major manufacturing industries, 13 Ontario manufacturers expanded at above 4.0% rates, including auto production, which rose 4.5%.

High technology industries, consisting of computer and electronics manufacturing, telecommunications and computer services, tripled Ontario's average growth rate. Output in these industries soared 12.1% in 1998. Growth was led by skyrocketing computer manufacturing production, up 37.6% and a 16.1% gain in computer services activity.

Of all Ontario's major industries, only utilities and government services activity declined in 1998. Utilities production fell 2.7% as consumers enjoyed lower heating bills due to record high temperatures.

## Fourth Quarter Production Growth Strong

Ontario ended 1998 on a strong note as auto output soared and production rebounded from labour disruptions in the second and third quarters. On an industry basis, total real production at factor cost in Ontario rose 2.1% in the fourth quarter, the same gain as measured at market prices. Construction, education and transportation activity rebounded from labour

disruptions, while the auto sector exploded from a shutdown hampered third quarter.

## Auto Sector Surge Boosts Manufacturing Production

Manufacturing output rose 4.6% in the fourth quarter with over 90% of the gain accounted for by the auto sector.

In the fourth quarter, auto sector output climbed 21.0% above the 1998:3 levels. A rebound from the shutdown of Ontario GM auto plants in July accounted for a third of this gain as auto production soared 13.3% above pre-shutdown levels recorded in 1998:1. Strong US auto sales, up 10.9% in 1998:4, combined with the completion of re-tooling and new production facilities, such as Oakville's Ford Windstar and Alliston's Honda Odyssey plants, helped to lift Ontario auto production to new record highs.

Machinery production climbed 4.6% in the fourth quarter, partially rebounding from weakness in the three previous quarters of 1998. A fourth quarter jump in agricultural equipment exports of 15.2% contributed to these production gains.

Chemical output rose 1.6% in 1998:4, recording its fourth consecutive quarter of solid growth. Continued expansion of the pharmaceutical industry contributed to these output gains.

Electrical equipment production fell 2.4% in the fourth quarter. Restructuring in Ontario's computer manufacturing industry, down 9.6% following three quarters of strong growth, was largely responsible for this decline.

Of 19 major manufacturing industries, 13 expanded in the fourth quarter, including strong gains in rubber, plastics and non-metallic minerals.

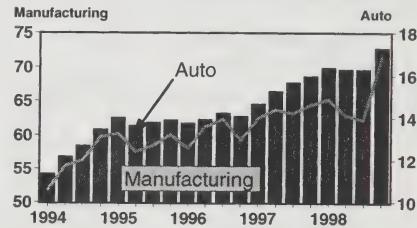
## Wholesale Trade Soars

Wholesale trade activity, bolstered by strong auto imports and exports, recorded its strongest growth so far this year, up 4.5% in 1998:4.

Retail trade production was little changed

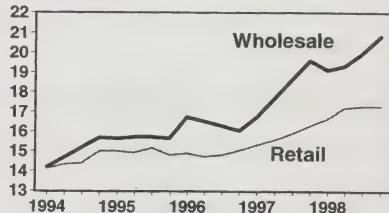
**Total and Auto Manufacturing GDP**

\$ 1992 billions



**Wholesale and Retail Trade GDP**

\$1992 billions



in the fourth quarter. Warm weather hurt winter clothing sales and the end of dealer auto sales incentives in October contributed to the weakness.

## Air Travellers Lift Transportation Activity

Transportation and storage activity jumped 3.8% in the fourth quarter aided by air travel seat sales in October, allowing activity to more than rebound from the 13 day Air Canada strike a month earlier.

Communications activity recorded its fourth consecutive quarter of strong growth, up 2.5%. Telecommunications activity led these gains with a rise of 3.7%.

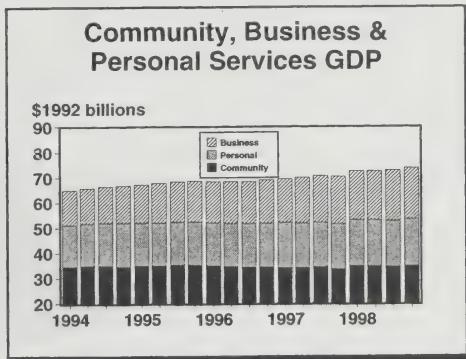
## Community, Business & Personal Services Activity Records Solid Growth

Community business and personal services production rose 1.4% in the fourth quarter, based mainly on strength in the business and education sectors.

Business services activity rose 2.3% in 1998:4, buoyed by strength in the computer services industry. Projects related to Year 2000 computer preparations helped to generate computer services production, up 5.8% in the fourth quarter.

Education activity rose 1.9% in the fourth quarter, rebounding from September labour disruptions in various school boards across the province.

Amusement activity (which includes sports, movies, casinos and other recreational services) recorded its second consecutive quarter of strong gains, up 2.0% in 1998:4.



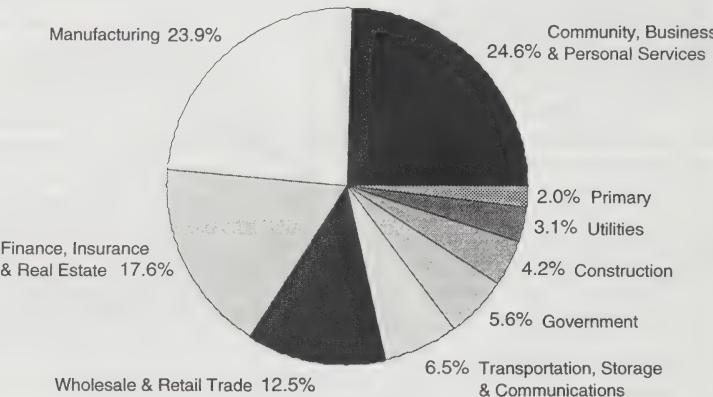
## Residential Construction Activity Rebounds from Labour Disruptions

Residential construction activity climbed 4.0% in the fourth quarter, partially recovering from summer labour disruptions. Six residential construction trades and crane and heavy equipment operators stopped working for varying lengths of time over the May 1<sup>st</sup> to September 14<sup>th</sup> period.

## A Warm Fall Cuts Electrical Production

Above average temperatures in the fall allowed Ontarians to save on their heating costs, decreasing demand for electricity. Utility production fell 0.8% in the fourth quarter.

**Industrial Structure of Ontario Economy, 1998  
% share**



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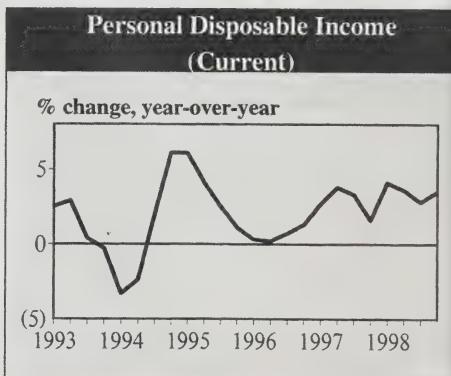
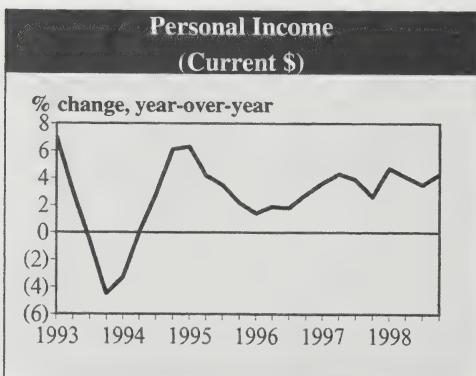
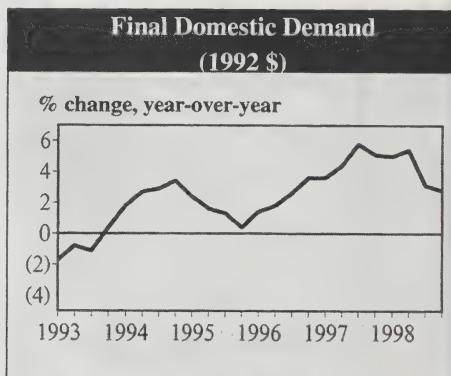
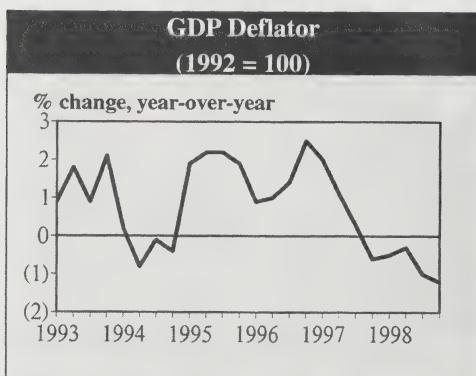
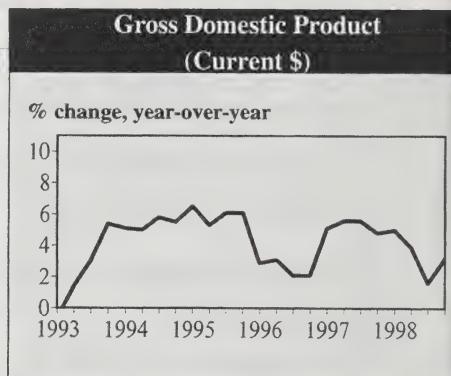
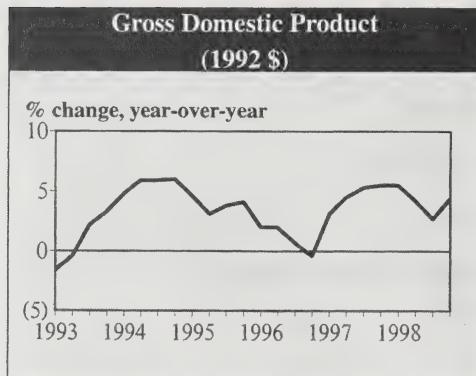
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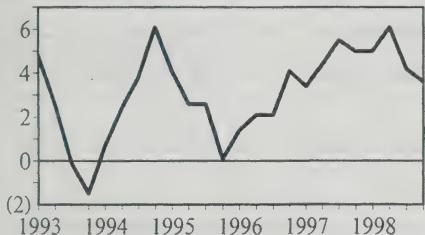
# Ontario Economic Accounts: Summary (1993:1 - 1998:4)



# Ontario Economic Accounts: Summary (1993:1 - 1998:4)

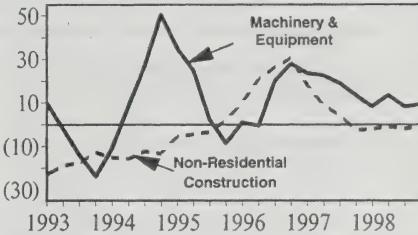
## Consumer Spending (1992 \$)

% change, year-over-year



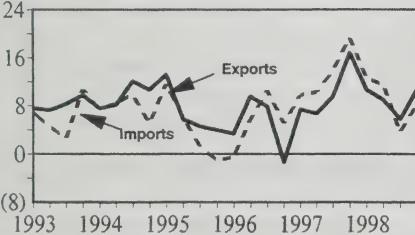
## Business Plant & Equipment (1992 \$)

% change, year-over-year



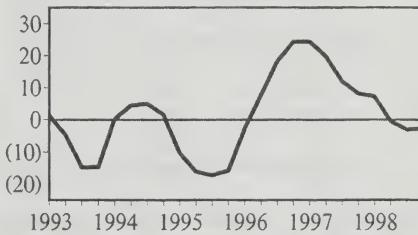
## Trade (1992 \$)

% change, year-over-year



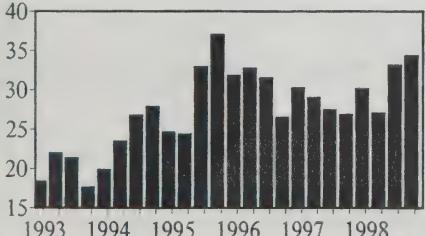
## Residential Construction (1992 \$)

% change, year-over-year



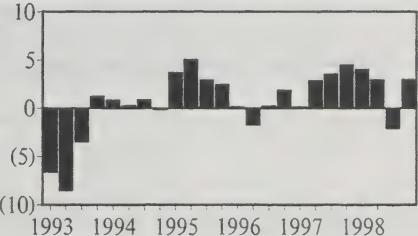
## Net Exports (1992 \$)

billions



## Change in Inventories (1992 \$)

billions



**ONTARIO GROSS DOMESTIC PRODUCT, (INCOME BASED)**  
*(*\$ millions, seasonally adjusted at annual rates*)*

TABLE

	1997				1998			
	I	II	III	IV	I	II	III	IV
1. Wages, salaries and supplementary labour income ( <i>domestic basis</i> )	183,889	186,933	188,627	189,195	193,621	195,630	195,302	197,0
	1.6	1.7	0.9	0.3	2.3	1.0	-0.2	0
2. Corporation profits before taxes	36,059	35,974	37,528	37,254	36,396	35,128	33,896	37,9
	8.7	-0.2	4.3	-0.7	-2.3	-3.5	-3.5	12
3. Interest and miscellaneous investment income	15,732	14,916	14,475	14,067	13,208	13,198	13,434	13,6
	-5.6	-5.2	-3.0	-2.8	-6.1	-0.1	1.8	1
4. Accrued net income of farm operators from farm production	115	215	244	405	365	402	300	3
	29.3	86.2	13.3	66.4	-9.9	10.1	-25.4	22
5. Net income of non-farm unincorporated business including rent	21,688	22,305	22,894	23,294	23,648	23,938	24,180	24,3
	2.3	2.8	2.6	1.7	1.5	1.2	1.0	0
6. Inventory valuation adjustment	-437	-1,121	-952	-915	805	-398	-1,689	-1,2
7. Net Domestic Income at factor cost	257,046	259,222	262,816	263,300	268,043	267,898	265,423	272,0
	1.9	0.8	1.4	0.2	1.8	-0.1	-0.9	2
8. Indirect taxes less subsidies	48,073	49,518	50,814	52,057	52,092	52,898	52,786	52,4
	0.5	3.0	2.6	2.4	0.1	1.5	-0.2	-0
9. Capital consumption allowances and miscellaneous valuation adjustments	40,092	41,354	41,871	41,788	42,206	42,894	43,076	43,9
	-1.1	3.1	1.3	-0.2	1.0	1.6	0.4	2
10. Gross Domestic Product at market prices	345,211	350,094	355,501	357,145	362,341	363,690	361,285	368,4
	1.3	1.4	1.5	0.5	1.5	0.4	-0.7	2
*	5.4	5.8	6.3	1.9	5.9	1.5	-2.6	8.1

**Notes:** Per cent change from previous quarter at quarterly rates is given on the second line.

^ Annualized per cent change from previous quarter.

**Sources:** Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT, (EXPENDITURE BASED)**  
 (\$ millions, seasonally adjusted at annual rates)

TABLE 2

	1997				1998			
	I	II	III	IV	I	II	III	IV
1. Personal expenditure on consumer goods and services:	195,545	199,045	203,169	205,648	206,885	212,687	214,322	215,906
	1.0	1.8	2.1	1.2	0.6	2.8	0.8	0.7
2. Goods	86,218	88,002	90,361	91,755	91,862	95,554	96,352	96,670
	0.7	2.1	2.7	1.5	0.1	4.0	0.8	0.3
3. Services	109,327	111,043	112,808	113,893	115,023	117,133	117,970	119,236
	1.3	1.6	1.6	1.0	1.0	1.8	0.7	1.1
4. Government expenditure on goods and services:	66,430	66,835	68,461	68,369	68,856	68,850	68,720	68,321
	-0.3	0.6	2.4	-0.1	0.7	0.0	-0.2	-0.6
5. Current expenditure	60,000	60,618	62,493	62,680	62,994	62,742	62,608	62,268
	0.4	1.0	3.1	0.3	0.5	-0.4	-0.2	-0.5
6. Capital expenditure	6,430	6,217	5,968	5,689	5,862	6,108	6,112	6,053
	-6.1	-3.3	-4.0	-4.7	3.0	4.2	0.0	-0.9
7. Business gross fixed capital formation:	51,376	52,609	54,133	55,053	55,890	56,456	56,044	57,190
	4.7	2.4	2.9	1.7	1.5	1.0	-0.7	2.0
8. Residential construction	16,956	17,664	17,564	17,916	18,896	18,148	17,496	17,972
	6.2	4.2	-0.6	2.0	5.5	-4.0	-3.6	2.7
9. Non-residential construction	9,365	9,381	9,427	9,389	9,420	9,510	9,524	9,612
	0.0	0.2	0.5	-0.4	0.3	1.0	0.1	0.9
10. Machinery and equipment	25,055	25,564	27,142	27,748	27,574	28,798	29,024	29,606
	5.5	2.0	6.2	2.2	-0.6	4.4	0.8	2.0
11. Exports of goods and services	228,737	233,774	238,263	245,590	252,352	253,174	254,750	277,786
	8.0	2.2	1.9	3.1	2.8	0.3	0.6	9.0
12. DEDUCT: Imports of goods and services	197,146	205,952	213,361	223,616	226,770	231,019	230,194	253,868
	7.9	4.5	3.6	4.8	1.4	1.9	-0.4	10.3
13. Value of physical change in inventories:	461	3,704	4,412	5,379	4,620	3,116	-2,673	3,015
14. Non-farm	511	3,926	4,692	5,538	4,619	3,066	-2,500	2,992
15. Farm and grain in commercial channels	-50	-222	-280	-159	1	50	-173	23
16. Statistical discrepancy	-192	79	424	722	508	426	316	119
17. Gross Domestic Product at market prices	345,211	350,094	355,501	357,145	362,341	363,690	361,285	368,469
	1.3	1.4	1.5	0.5	1.5	0.4	-0.7	2.0
18. Gross Domestic Product at 1992 prices	326,706	332,020	337,504	339,167	344,655	345,857	346,633	353,996
	1.6	1.6	1.7	0.5	1.6	0.3	0.2	2.1
	*	6.5	6.7	6.8	2.0	6.6	1.4	0.9
								8.8

Notes: Per cent change from previous quarter at quarterly rates is given on the second line.

\* Annualized per cent change from previous quarter.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT AT 1992 PRICES**  
 (\$ millions, seasonally adjusted at annual rates)

TABLE 3

	1997				1998			
	I	II	III	IV	I	II	III	IV
1. Personal expenditure on consumer goods and services	182,413	185,179	188,818	190,520	191,516	196,424	196,762	197,362
	0.5	1.5	2.0	0.9	0.5	2.6	0.2	0.3
2. Goods	84,362	85,856	87,644	88,738	89,273	93,223	93,910	94,037
	0.2	1.8	2.1	1.2	0.6	4.4	0.7	0.1
3. Services	98,051	99,323	101,174	101,782	102,243	103,201	102,852	103,325
	0.8	1.3	1.9	0.6	0.5	0.9	-0.3	0.5
4. Government expenditure on goods and services:	64,573	65,285	66,670	66,665	67,252	67,053	66,836	66,348
	-0.4	1.1	2.1	0.0	0.9	-0.3	-0.3	-0.7
5. Current expenditure	58,366	59,255	60,910	61,210	61,578	61,152	60,903	60,454
	0.2	1.5	2.8	0.5	0.6	-0.7	-0.4	-0.7
6. Capital expenditure	6,207	6,030	5,760	5,455	5,674	5,901	5,933	5,894
	-6.2	-2.8	-4.5	-5.3	4.0	4.0	0.5	-0.7
7. Business gross fixed capital formation:	49,705	50,178	51,529	51,895	52,743	53,424	53,036	53,878
	4.3	1.0	2.7	0.7	1.6	1.3	-0.7	1.6
8. Residential construction	16,103	16,524	16,354	16,528	17,272	16,453	15,848	16,075
	5.4	2.6	-1.0	1.1	4.5	-4.7	-3.7	1.4
9. Non-residential construction	8,647	8,591	8,617	8,505	8,464	8,514	8,451	8,432
	-0.9	-0.7	0.3	-1.3	-0.5	0.6	-0.7	-0.2
10. Machinery and equipment	24,955	25,063	26,558	26,862	27,007	28,457	28,737	29,371
	5.5	0.4	6.0	1.1	0.5	5.4	1.0	2.2
11. Exports of goods and services	206,442	209,663	216,406	221,452	228,580	228,496	228,886	245,394
	8.9	1.6	3.2	2.3	3.2	0.0	0.2	7.2
12. DEDUCT: Imports of goods and services	176,496	180,977	189,318	194,957	198,747	201,763	196,077	211,381
	8.0	2.5	4.6	3.0	1.9	1.5	-2.8	7.8
13. Value of physical change in inventories:	121	2,832	3,491	4,452	3,987	2,887	-2,052	2,953
14. Non-farm	222	2,980	3,721	4,596	3,986	2,798	-1,917	2,871
15. Farm and grain in commercial channels	-101	-148	-230	-144	1	89	-135	82
16. Statistical discrepancy	-52	-140	-92	-860	-676	-664	-756	-558
17. Gross Domestic Product at 1992 prices	326,706	332,020	337,504	339,167	344,655	345,857	346,635	353,996
	1.6	1.6	1.7	0.5	1.6	0.3	0.2	2.1
	6.5	6.7	6.8	2.0	6.6	1.4	0.9	8.8
18. Final domestic demand	296,690	300,642	307,016	309,079	311,511	316,902	316,633	317,588
	0.9	1.3	2.1	0.7	0.8	1.7	-0.1	0.3

Notes: Per cent change from previous quarter at quarterly rates is given on the second line.

\* Annualized per cent change from previous quarter.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**SOURCES AND DISPOSITION OF ONTARIO PERSONAL INCOME**

(\$ millions, seasonally adjusted at annual rates)

TABLE 4

	1997				1998			
	I	II	III	IV	I	II	III	IV
1. Wages, salaries and supplementary labour income (national basis)	181,295 1.6	184,297 1.7	185,966 0.9	186,526 0.3	190,890 2.3	192,870 1.0	192,547 -0.2	194,269 0.9
2. Net income of farm operators from farm production	110 29.3	204 86.2	232 13.3	385 66.4	347 -9.9	382 10.1	285 -25.4	350 22.7
3. Net income of non-farm unincorporated business including rent	21,688 2.3	22,305 2.8	22,894 2.6	23,294 1.7	23,648 1.5	23,938 1.2	24,180 1.0	24,316 0.6
4. Interest, dividends and miscellaneous investment income	37,089 -4.4	36,731 -1.0	36,792 0.2	36,610 -0.5	36,936 0.9	37,436 1.4	38,368 2.5	38,943 1.5
5. Current transfers from government, corporations and non-residents	40,103 -1.0	40,454 0.9	39,984 -1.2	39,563 -1.1	41,605 5.2	40,985 -1.5	40,572 -1.0	40,815 0.6
6. Equals: Personal income	280,285 0.4	283,991 1.3	285,868 0.7	286,378 0.2	293,426 2.5	295,611 0.7	295,952 0.1	298,693 0.9
7. Deduct: Personal direct taxes	50,830 1.0	51,452 1.2	51,686 0.5	52,173 0.9	53,452 2.5	54,522 2.0	55,460 1.7	56,644 2.1
8. Other current transfers to government	18,008 0.8	19,089 6.0	19,771 3.6	19,852 0.4	19,842 -0.1	20,053 1.1	20,173 0.6	20,254 0.4
9. Equals: Personal disposable income	211,447 0.3	213,450 0.9	214,411 0.5	214,353 0.0	220,132 2.7	221,036 0.4	220,319 -0.3	221,795 0.7
10. Deduct: Personal expenditure on consumer goods and services	195,545 1.0	199,045 1.8	203,169 2.1	205,648 1.2	206,885 0.6	212,687 2.8	214,322 0.8	215,906 0.7
11. Current transfers to corporations	2,815 -15.8	2,696 -4.2	2,768 2.7	3,045 10.0	3,160 3.8	3,239 2.5	3,337 3.0	3,423 2.6
12. Current transfers to non-residents	422 3.9	428 1.4	440 2.7	449 2.1	463 3.1	467 0.9	464 -0.7	457 -1.4
13. Equals: Personal saving	12,665 -7.1	11,281 -10.9	8,034 -28.8	5,211 -35.1	9,624 84.7	4,643 -51.8	2,196 -52.7	2,009 -8.5
14. Personal savings rate	6.0	5.3	3.7	2.4	4.4	2.1	1.0	0.9

Note: Per cent change from previous quarter at quarterly rates is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO TRADE**  
 (\$ millions, seasonally adjusted at annual rates)

TABLE 5

	1997				1998			
	I	II	III	IV	I	II	III	IV
1. Exports of Goods and Services	228,737	233,774	238,263	245,590	252,352	253,174	254,750	277,786
2. Of Which: International	8.0	2.2	1.9	3.1	2.8	0.3	0.6	9.0
3. Goods	162,878	167,000	169,936	176,922	183,536	182,936	184,870	207,226
4. Services	141,226	144,748	147,826	154,442	160,696	159,348	162,454	182,668
5. Of Which: Interprovincial goods and services	21,652	22,252	22,110	22,480	22,840	23,588	22,416	24,558
6. Imports of Goods and Services	65,859	66,774	68,327	68,668	68,816	70,238	69,880	70,560
7. Trade Balance	31,591	27,822	24,902	21,974	25,582	22,155	24,556	23,918

Note: Per cent change from previous quarter at quarterly rates is given on the second line.  
 Source: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO DEFLATORS**

(1992 = 100)

**TABLE 6**

	1997				1998				
	I	II	III	IV	I	II	III	IV	
1. Personal expenditure on consumer goods and services:	107.2 0.5	107.5 0.3	107.6 0.1	107.9 0.3	108.0 0.1	108.3 0.2	108.9 0.6	109.4 0.4	
2. Goods	102.2 0.5	102.5 0.3	103.1 0.6	103.4 0.3	102.9 -0.5	102.5 -0.4	102.6 0.1	102.8 0.2	
3. Services	111.5 0.5	111.8 0.3	111.5 -0.3	111.9 0.4	112.5 0.5	113.5 0.9	114.7 1.1	115.4 0.6	
4. Government expenditure on goods and services:	102.9 0.2	102.4 -0.5	102.7 0.3	102.5 -0.1	102.4 -0.2	102.7 0.3	102.8 0.1	103.0 0.2	
5. Current expenditure	102.8 0.2	102.3 -0.5	102.6 0.3	102.4 -0.2	102.3 -0.1	102.6 0.3	102.8 0.2	103.0 0.2	
6. Capital expenditure	103.6 0.1	103.1 -0.5	103.6 0.5	104.3 0.7	103.3 -1.0	103.5 0.2	103.0 -0.5	102.7 -0.3	
7. Business gross fixed capital formation:	103.4 0.4	104.8 1.4	105.1 0.2	106.1 1.0	106.0 -0.1	105.7 -0.3	105.7 0.0	106.1 0.4	
8. Residential construction	105.3 0.8	106.9 1.5	107.4 0.5	108.4 0.9	109.4 0.9	110.3 0.8	110.4 0.1	111.8 1.3	
9. Non-residential construction	108.3 0.9	109.2 0.8	109.4 0.2	110.4 0.9	111.3 0.8	111.7 0.4	112.7 0.9	114.0 1.2	
10. Machinery and equipment	100.4 0.0	102.0 1.6	102.2 0.2	103.3 1.1	102.1 -1.2	101.2 -0.9	101.0 -0.2	100.8 -0.2	
11. Exports of goods and services	110.8 -0.8	111.5 0.6	110.1 -1.3	110.9 0.7	110.4 -0.5	110.8 0.4	111.3 0.5	113.2 1.7	
12. DEDUCT: Imports of goods and services	111.7 -0.1	113.8 1.9	112.7 -1.0	114.7 1.8	114.1 -0.5	114.5 0.4	117.4 2.5	120.1 2.3	
13. Gross Domestic Product at market prices	105.7 -0.3	105.4 -0.2	105.3 -0.1	105.3 0.0	105.1 -0.2	105.2 0.0	104.2 -0.9	104.1 -0.1	
	*	-1.1	-0.8	-0.4	-0.1	-0.6	0.1	-3.5	-0.5
14. Final domestic demand	105.6 0.4	105.9 0.3	106.1 0.2	106.5 0.3	106.5 0.0	106.7 0.2	107.1 0.4	107.5 0.4	

Notes: Per cent change from previous quarter at quarterly rates is given on the second line.

\* Annualized per cent change from previous quarter.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

*Ontario Economic Accounts, Annual Data*
**ONTARIO GROSS DOMESTIC PRODUCT, (INCOME BASED)**  
**(\$ millions)**

TABLE 7

	1993	1994	1995	1996	1997	1998
1. Wages, salaries and supplementary labour income ( <i>domestic basis</i> )	164,312 0.9	167,097 1.7	173,225 3.7	177,421 2.4	187,161 5.5	195,400 4.4
2. Corporation profits before taxes	17,685 22.0	27,962 58.1	33,919 21.3	32,235 -5.0	36,704 13.9	35,852 -2.3
3. Interest and miscellaneous investment income	17,845 -9.5	17,251 -3.3	17,282 0.2	16,663 -3.6	14,797 -11.2	13,369 -9.7
4. Accrued net income of farm operators from farm production	300 37.3	3 -99.1	333 12,065.7	310 -6.8	245 -21.0	359 46.5
5. Net income of non-farm unincorporated business including rent	17,303 7.1	18,468 6.7	19,291 4.5	20,555 6.6	22,545 9.7	24,021 6.5
6. Inventory valuation adjustment	-1,306	-2,756	-1,239	-545	-856	-644
7. Net Domestic Income at factor cost	216,139 1.9	228,025 5.5	242,811 6.5	246,639 1.6	260,596 5.7	268,357 3.0
8. Indirect taxes less subsidies	42,977 3.3	44,692 4.0	45,813 2.5	47,477 3.6	50,116 5.6	52,565 4.9
9. Capital consumption allowances and miscellaneous valuation adjustments	32,728 3.7	34,811 6.4	37,427 7.5	40,176 7.3	41,277 2.7	43,024 4.2
10. Gross Domestic Product at market prices	291,844 2.3	307,528 5.4	326,051 6.0	334,292 2.5	351,989 5.3	363,946 3.4

Note: Percentage change from previous year is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT, (EXPENDITURE BASED)**  
(\$ millions)

**TABLE 8**

	1993	1994	1995	1996	1997	1998
1. Personal expenditure on consumer goods and services:	169,547	176,116	182,689	189,281	200,852	212,450
4.1	4.1	3.9	3.7	3.6	6.1	5.8
2. Goods	76,884	78,603	81,133	83,300	89,084	95,110
2.5	2.5	2.2	3.2	2.7	6.9	6.8
3. Services	92,663	97,513	101,556	105,981	111,768	117,340
5.5	5.5	5.2	4.1	4.4	5.5	5.0
4. Government expenditure on goods and services:	70,177	70,157	70,951	68,542	67,524	68,687
1.2	1.2	0.0	1.1	-3.4	-1.5	1.7
5. Current expenditure	63,785	62,838	63,117	61,320	61,448	62,653
2.5	2.5	-1.5	0.4	-2.8	0.2	2.0
6. Capital expenditure	6,392	7,319	7,834	7,222	6,076	6,034
-10.0	-10.0	14.5	7.0	-7.8	-15.9	-0.7
7. Business gross fixed capital formation:	38,062	40,813	40,484	45,440	53,293	56,395
-8.9	-8.9	7.2	-0.8	12.2	17.3	5.8
8. Residential construction	14,709	15,432	13,290	14,781	17,525	18,128
-7.4	-7.4	4.9	-13.9	11.2	18.6	3.4
9. Non-residential construction	8,093	7,212	7,115	8,698	9,391	9,517
-16.7	-16.7	-10.9	-1.3	22.3	8.0	1.3
10. Machinery and equipment	15,260	18,169	20,079	21,961	26,377	28,750
-5.7	-5.7	19.1	10.5	9.4	20.1	9.0
11. Exports of goods and services	162,580	185,776	205,696	217,105	236,591	259,516
11.4	11.4	14.3	10.7	5.5	9.0	9.7
12. DEDUCT: Imports of goods and services	146,272	165,861	177,943	185,283	210,019	235,463
12.2	12.2	13.4	7.3	4.1	13.4	12.1
13. Value of physical change in inventories:	-3,772	-82	4,198	63	3,489	2,020
14. Non-farm	-3,858	138	4,159	151	3,667	2,044
15. Farm and grain in commercial channels	86	-220	39	-88	-178	-24
16. Statistical discrepancy	1,522	609	-24	-856	259	341
17. Gross Domestic Product at market prices	291,844	307,528	326,051	334,292	351,989	363,946
2.3	2.3	5.4	6.0	2.5	5.3	3.4
18. Gross Domestic Product at 1992 prices	287,744	304,039	315,860	319,256	333,849	347,786
	0.9	5.7	3.9	1.1	4.6	4.2

Note: Percentage change from previous year is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO GROSS DOMESTIC PRODUCT AT 1992 PRICES**  
 (\$ millions)

**TABLE 9**

	1993	1994	1995	1996	1997	1998
<b>1. Personal expenditure on consumer goods and services:</b>	<b>165,093</b>	<b>170,428</b>	<b>174,398</b>	<b>178,575</b>	<b>186,732</b>	<b>195,516</b>
1.4	3.2	2.3	2.4	4.6	4.7	
<b>2. Goods</b>	<b>75,458</b>	<b>78,484</b>	<b>80,389</b>	<b>82,188</b>	<b>86,650</b>	<b>92,611</b>
0.6	4.0	2.4	2.2	5.4	6.9	
<b>3. Services</b>	<b>89,635</b>	<b>91,944</b>	<b>94,009</b>	<b>96,387</b>	<b>100,082</b>	<b>102,905</b>
2.1	2.6	2.2	2.5	3.8	2.8	
<b>4. Government expenditure on goods and services:</b>	<b>69,343</b>	<b>69,497</b>	<b>69,897</b>	<b>67,235</b>	<b>65,798</b>	<b>66,873</b>
0.0	0.2	0.6	-3.8	-2.1	1.6	
<b>5. Current expenditure</b>	<b>62,987</b>	<b>62,310</b>	<b>62,328</b>	<b>60,243</b>	<b>59,935</b>	<b>61,022</b>
1.2	-1.1	0.0	-3.3	-0.5	1.8	
<b>6. Capital expenditure</b>	<b>6,356</b>	<b>7,187</b>	<b>7,569</b>	<b>6,990</b>	<b>5,863</b>	<b>5,851</b>
-10.5	13.1	5.3	-7.6	-16.1	-0.2	
<b>7. Business gross fixed capital formation:</b>	<b>37,326</b>	<b>39,130</b>	<b>38,701</b>	<b>43,851</b>	<b>50,827</b>	<b>53,270</b>
-10.7	4.8	-1.1	13.3	15.9	4.8	
<b>8. Residential construction</b>	<b>14,522</b>	<b>14,925</b>	<b>12,700</b>	<b>14,159</b>	<b>16,377</b>	<b>16,412</b>
-8.6	2.8	-14.9	11.5	15.7	0.2	
<b>9. Non-residential construction</b>	<b>7,927</b>	<b>6,803</b>	<b>6,605</b>	<b>8,050</b>	<b>8,590</b>	<b>8,465</b>
-18.4	-14.2	-2.9	21.9	6.7	-1.5	
<b>10. Machinery and equipment</b>	<b>14,877</b>	<b>17,402</b>	<b>19,396</b>	<b>21,642</b>	<b>25,860</b>	<b>28,393</b>
-8.1	17.0	11.5	11.6	19.5	9.8	
<b>11. Exports of goods and services</b>	<b>158,007</b>	<b>173,287</b>	<b>185,056</b>	<b>193,932</b>	<b>213,491</b>	<b>232,839</b>
8.3	9.7	6.8	4.8	10.1	9.1	
<b>12. DEDUCT: Imports of goods and services</b>	<b>138,554</b>	<b>149,156</b>	<b>155,656</b>	<b>163,618</b>	<b>185,437</b>	<b>201,992</b>
6.2	7.7	4.4	5.1	13.3	8.9	
<b>13. Value of physical change in inventories:</b>	<b>-4,329</b>	<b>445</b>	<b>3,491</b>	<b>110</b>	<b>2,724</b>	<b>1,943</b>
<b>14. Non-farm</b>	<b>-3,782</b>	<b>131</b>	<b>3,463</b>	<b>67</b>	<b>2,880</b>	<b>1,934</b>
<b>15. Farm and grain in commercial channels</b>	<b>-547</b>	<b>314</b>	<b>28</b>	<b>43</b>	<b>-156</b>	<b>9</b>
<b>16. Statistical discrepancy</b>	<b>858</b>	<b>408</b>	<b>-27</b>	<b>-829</b>	<b>-286</b>	<b>-663</b>
<b>17. Gross Domestic Product at 1992 prices</b>	<b>287,744</b>	<b>304,039</b>	<b>315,860</b>	<b>319,256</b>	<b>333,849</b>	<b>347,786</b>
0.9	5.7	3.9	1.1	4.6	4.2	
<b>18. Final domestic demand</b>	<b>271,761</b>	<b>279,055</b>	<b>282,996</b>	<b>289,660</b>	<b>303,357</b>	<b>315,658</b>
-0.8	2.7	1.4	2.4	4.7	4.1	

**Notes:** Percentage change from previous year is given on the second line.

**Sources:** Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**SOURCES AND DISPOSITION OF ONTARIO PERSONAL INCOME**

(\$ millions)

**TABLE 10**

	1993	1994	1995	1996	1997	1998
1. Wages, salaries and supplementary labour income ( <i>national basis</i> )	161,995 0.9	164,741 1.7	170,782 3.7	174,918 2.4	184,521 5.5	192,644 4.4
2. Net income of farm operators from farm production	285 30.8	3 -99.1	316 12,065.7	295 -6.8	233 -21.0	341 46.5
3. Net income of non-farm unincorporated business including rent	17,303 7.1	18,468 6.7	19,291 4.5	20,555 6.6	22,545 9.7	24,021 6.5
4. Interest, dividends and miscellaneous investment income	35,887 -5.1	35,545 -1.0	38,835 9.3	38,475 -0.9	36,806 -4.3	37,921 3.0
5. Current transfers from government, corporations and non-residents	39,608 5.4	39,737 0.3	39,690 -0.1	39,981 0.7	40,026 0.1	40,994 2.4
6. Equals: Personal income	255,078 1.1	258,494 1.3	268,914 4.0	274,224 2.0	284,131 3.6	295,921 4.1
7. Deduct: Personal direct taxes	40,092 -0.3	41,454 3.4	44,056 6.3	48,190 9.4	51,535 6.9	55,020 6.8
8. Other current transfers to government	16,654 1.3	17,637 5.9	18,671 5.9	18,525 -0.8	19,180 3.5	20,080 4.7
9. Equals: Personal disposable income	198,332 1.4	199,403 0.5	206,187 3.4	207,509 0.6	213,416 2.8	220,821 3.5
10. Deduct: Personal expenditure on consumer goods and services	169,547 4.1	176,116 3.9	182,689 3.7	189,281 3.6	200,852 6.1	212,450 5.8
11. Current transfers to corporations	2,690 -18.0	2,818 4.8	3,784 34.3	3,535 -6.6	2,831 -19.9	3,290 16.2
12. Current transfers to non-residents	369 8.3	387 4.9	402 3.8	412 2.4	435 5.6	463 6.4
13. Equals: Personal saving	25,726 -11.9	20,082 -21.9	19,312 -3.8	14,281 -26.0	9,298 -34.9	4,618 -50.3
14. Personal savings rate	13.0	10.1	9.4	6.9	4.4	2.1

Note: Percentage change from previous year is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

*Ontario Economic Accounts, Annual Data***ONTARIO TRADE**

(\$ millions)

**TABLE 11**

	1993	1994	1995	1996	1997	1998
1. Exports of Goods and Services	162,580 11.4	185,776 14.3	205,696 10.7	217,105 5.5	236,591 9.0	259,516 9.7
2. Of Which: International	107,924 17.7	127,795 18.4	145,768 14.1	154,215 5.8	169,184 9.7	189,642 12.1
3. Goods	93,875 18.2	111,483 18.8	127,470 14.3	133,747 4.9	147,060 10.0	166,291 13.1
4. Services	14,049 14.3	16,312 16.1	18,298 12.2	20,468 11.9	22,124 8.1	23,351 5.5
5. Of Which: Interprovincial goods and services	54,656 0.7	57,981 6.1	59,928 3.4	62,890 4.9	67,407 7.2	69,874 3.7
6. Imports of Goods and Services	146,272 12.2	165,861 13.4	177,943 7.3	185,283 4.1	210,019 13.4	235,463 12.1
7. Trade Balance	16,308	19,915	27,753	31,822	26,572	24,053

Note: Percentage change from previous year is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO DEFLATORS**

(1992 = 100)

**TABLE 12**

	1993	1994	1995	1996	1997	1998
1. Personal expenditure on consumer goods and services:	102.7 2.7	103.3 0.6	104.8 1.4	106.0 1.2	107.6 1.5	108.7 1.0
2. Goods	101.9 1.9	100.2 -1.7	100.9 0.8	101.4 0.4	102.8 1.4	102.7 -0.1
3. Services	103.4 3.4	106.1 2.6	108.0 1.9	110.0 1.8	111.7 1.6	114.0 2.1
4. Government expenditure on goods and services:	101.2 1.2	100.9 -0.2	101.5 0.6	101.9 0.4	102.6 0.7	102.7 0.1
5. Current expenditure	101.3 1.3	100.8 -0.4	101.3 0.4	101.8 0.5	102.5 0.7	102.7 0.1
6. Capital expenditure	100.6 0.6	101.8 1.3	103.5 1.6	103.3 -0.2	103.6 0.3	103.1 -0.5
7. Business gross fixed capital formation:	102.0 2.0	104.3 2.3	104.6 0.3	103.6 -0.9	104.9 1.2	105.9 1.0
8. Residential construction	101.3 1.3	103.4 2.1	104.6 1.2	104.4 -0.2	107.0 2.5	110.5 3.2
9. Non-residential construction	102.1 2.1	106.0 3.8	107.7 1.6	108.1 0.3	109.3 1.2	112.4 2.8
10. Machinery and equipment	102.6 2.6	104.4 1.8	103.5 -0.9	101.5 -2.0	102.0 0.5	101.3 -0.7
11. Exports of goods and services	102.9 2.9	107.2 4.2	111.2 3.7	111.9 0.7	110.8 -1.0	111.5 0.6
12. DEDUCT: Imports of goods and services	105.6 5.6	111.2 5.3	114.3 2.8	113.2 -0.9	113.3 0.0	116.6 2.9
13. Gross Domestic Product	101.4 1.4	101.1 -0.3	103.2 2.1	104.7 1.4	105.4 0.7	104.6 -0.7
14. Final Domestic Demand	102.2 2.2	102.9 0.6	103.9 1.0	104.7 0.7	106.0 1.3	106.9 0.8

Note: Percentage change from previous quarter is given at annual rate on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

## Ontario Economic Accounts, Quarterly Data

**ONTARIO PRODUCTION BY INDUSTRY, 1992\$**  
*(\$millions, seasonally adjusted at annual rates)*

TABLE 13

	1997				1998			
	I	II	III	IV	I	II	III	IV
1. Primary	5,667 0.6	5,765 1.7	5,970 3.5	6,096 2.1	6,049 -0.8	6,063 0.2	6,089 0.4	5,914 -2.9
2. Manufacturing	64,647 2.9	66,576 3.0	67,806 1.8	68,739 1.4	69,933 1.7	69,749 -0.3	69,716 0.0	72,918 4.6
3. Construction	12,319 1.8	12,556 1.9	12,540 -0.1	12,408 -1.0	12,805 3.2	12,498 -2.4	12,350 -1.2	12,551 1.6
4. Utilities	9,550 1.8	9,588 0.4	9,162 -4.4	8,740 -4.6	8,639 -1.1	9,038 4.6	9,221 2.0	9,150 -0.8
5. Goods Producing Industries	92,184 2.5	94,484 2.5	95,477 1.1	95,983 0.5	97,426 1.5	97,347 -0.1	97,377 0.0	100,533 3.2
6. Transportation, Storage and Communication	18,276 3.7	18,361 0.5	18,279 -0.4	18,576 1.6	19,007 2.3	19,066 0.3	19,242 0.9	19,853 3.2
7. Wholesale & Retail Trade	32,085 3.3	33,252 3.6	34,519 3.8	35,876 3.9	35,738 -0.4	36,517 2.2	37,225 1.9	38,121 2.4
8. Finance, Insurance and Real Estate	49,688 0.1	50,725 2.1	51,269 1.1	51,503 0.5	51,475 -0.1	51,556 0.2	52,120 1.1	52,455 0.6
9. Community, Business and Personal Services	69,404 0.7	69,830 0.6	70,620 1.1	70,215 -0.6	72,340 3.0	72,553 0.3	72,644 0.1	73,637 1.4
10. Government Services	16,876 -0.7	16,652 -1.3	16,525 -0.8	16,326 -1.2	16,455 0.8	16,494 0.2	16,395 -0.6	16,455 0.4
11. Services Producing Industries	186,329 1.1	188,821 1.3	191,213 1.3	192,495 0.7	195,015 1.3	196,186 0.6	197,626 0.7	200,522 1.5
12. Total Production (1992\$) at Factor Cost	278,513 1.6	283,305 1.7	286,690 1.2	288,479 0.6	292,441 1.4	293,533 0.4	295,002 0.5	301,055 2.1
*	6.5	7.1	4.9	2.5	5.6	1.5	2.0	8.5
13. Indirect Taxes Less Subsidies plus Miscellaneous Adjustments	48,193	48,715	50,814	50,688	52,214	52,324	51,632	52,941
14. Gross Domestic Product (1992\$) at Market Prices	326,706 1.6	332,020 1.6	337,504 1.7	339,167 0.5	344,655 1.6	345,857 0.3	346,635 0.2	353,996 2.1
*	6.5	6.7	6.8	2.0	6.6	1.4	0.9	8.8

Notes: Percentage change from previous quarter is given on second line.

\* Annualized per cent change from previous quarter

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada

**ONTARIO PRODUCTION BY INDUSTRY, 1992\$**  
 (\$millions)
**TABLE 14**

	1993	1994	1995	1996	1997	1998
<b>1. Primary</b>	5,851 0.4	5,775 -1.3	5,852 1.3	5,861 0.1	5,874 0.2	6,029 2.6
<b>2. Manufacturing</b>	53,284 4.9	57,640 8.2	62,100 7.7	62,600 0.8	66,942 6.9	70,579 5.4
<b>3. Construction</b>	11,470 -13.9	11,494 0.2	11,053 -3.8	11,682 5.7	12,456 6.6	12,551 0.8
<b>4. Utilities</b>	8,899 4.9	9,131 2.6	9,282 1.7	9,244 -0.4	9,260 0.2	9,012 -2.7
<b>5. Goods Producing Industries</b>	79,505 1.4	84,040 5.7	88,287 5.1	89,387 1.2	94,532 5.8	98,171 3.8
<b>6. Transportation, Storage and Communication</b>	15,898 -1.0	16,653 4.8	16,789 0.8	17,347 3.3	18,373 5.9	19,292 5.0
<b>7. Wholesale &amp; Retail Trade</b>	27,158 1.9	29,433 8.4	30,666 4.2	31,267 2.0	33,933 8.5	36,900 8.7
<b>8. Finance, Insurance and Real Estate</b>	43,910 2.3	45,660 4.0	46,876 2.7	48,763 4.0	50,796 4.2	51,902 2.2
<b>9. Community, Business and Personal Services</b>	64,773 1.3	66,055 2.0	67,890 2.8	68,512 0.9	70,017 2.2	72,793 4.0
<b>10. Government Services</b>	16,929 -0.4	17,469 3.2	17,461 0.0	16,842 -3.5	16,595 -1.5	16,450 -0.9
<b>11. Services Producing Industries</b>	168,667 1.2	175,270 3.9	179,682 2.5	182,730 1.7	189,714 3.8	197,337 4.0
<b>12. Total Production (92\$) at Factor Cost</b>	248,172 1.3	259,310 4.5	267,968 3.3	272,117 1.5	284,247 4.5	295,508 4.0
<b>13. Indirect Taxes Less Subsidies plus Miscellaneous Adjustments</b>	39,572	44,729	47,892	47,139	49,602	52,278
<b>14. Gross Domestic Product (1992\$) at Market Prices</b>	287,744 0.9	304,039 5.7	315,860 3.9	319,256 1.1	333,849 4.6	347,786 4.2

Notes: Percentage change from previous year is given on the second line.

Sources: Office of Economic Policy, Ontario Ministry of Finance and Statistics Canada





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